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CO-OPERATION IN CANADA

1941/42 - 1949/50



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Economics Division

Economics Division, Marketing Service
Department of Agriculture

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CO-OPERATION IN CANADA

1345/1946

Fifteenth Annual Summary



Ottawa, September 1947

CO-OPERATION IN CANADA 1946*

Important changes in the taxation of co-operatives were made in 1946 following consideration by the Government of the report of the Royal Commission on Co-operatives. The old section 4 (p) of the Income War Tax Act, by which exemption from income tax was granted to those co-operatives that could comply with its terms, was amended to grant exemption for three years to new co-operatives organized after 1946. Six conditions (seven originally) must be complied with in order that new co-operatives be granted exemption. From 1946*on all businesses, whether co-operative or not, are permitted to deduct from income, payments made in proportion to patronage. There is provision for a minimum tax based on capital employed. There are numerous conditions and the legislation is complicated. The Income Tax Division has set up a section at its head office to deal with the taxation of co-operatives and a preliminary explanatory brochure has been issued which is to be revised. The Co-operative Union of Canada and Le Conseil Canadien de la Co-operation have held meetings to explain this legislation. Several of the provincial co-operative unions are organized to provide legal and accounting services on taxation matters to their members.

The Economics Division, Marketing Service, Dominion Department of Agriculture, in co-operation with provincial officials, assembles statistics on co-operative business and herewith presents its fifteenth annual report. For the crop year 1945-46 the Division received reports from 1,953 active co-operative business organizations engaged in marketing produce or buying supplies for their members, not including fishermen's associations or service organizations. Of these 1,080 marketed farm products and 1,446 purchased supplies for their members or operated co-operative stores. The larger number of associations purchasing supplies is explained by the fact that many Associations organized primarily to market produce do purchase supplies as well and a few purchasing co-operatives market produce as a part of the service given their members. Thus there is duplication to the extent of 573.

The 1,953 associations reporting operated 4,488 places of business. Members or shareholders numbered 926,863 and the total number of patrons including members and non-members was estimated to be 922,928. The numbers of members and patrons are the highest recorded to date and while the increase was fairly general there were unusually large increases in Saskatchewan and Alberta. There is a substantial duplication in these figures for individuals may be members or patrons of several co-operatives.

A few of the significant items from the consolidated balance sheet for 1945-46 compared with 1944-45 are as follows:

* Prepared by W. F. Chown and J. E. O'Meara, Marketing Service, Economics Division, Department of Agriculture, Ottawa, Canada.

	<u>1945-46</u>	<u>1944-45</u>
Total Assets	\$163,467,434	\$171,128,184
Liabilities	<u>71,012,260</u>	<u>87,354,033</u>
Excess, Assets over liabilities	<u>\$ 92,455,174</u>	<u>\$ 83,774,151</u>
Represented by:		
Paid up share capital, and	\$ 19,580,322	\$ 15,789,047
Surplus and Reserves	<u>72,874,852</u>	<u>67,985,104</u>
Members' equity	<u>\$ 92,455,174</u>	<u>\$ 83,774,151</u>
Plant assets	\$ 46,775,158	\$ 43,048,326
Working capital	45,680,016	40,725,825

While the value of total assets has decreased from the previous year, the decrease in liabilities has been even greater with the result that assets exceed liabilities by a larger amount than at the end of the previous year. The decrease in assets and liabilities is accounted for by reduced inventories of grain in the hands of the grain marketing organizations with corresponding reductions in bank loans. Apart from the decrease due to reduced holdings of grain, there has been, generally, an increase in the value of assets. It will be noted that plant assets after allowing for depreciation have increased in value to \$46,775,158 and that working capital has increased to \$45,680,016.

The value of farm products marketed through co-operatives amounted to \$454,564,927, merchandise purchased for or sold to members had a value of \$95,063,311 which, with other revenue of \$4,161,144 brought the total business for the year to \$554,329,652. This is a decrease of \$31,320,414 in volume of business from 1944-45 which is attributable to a decline in the volume of products marketed.

Marketing

The value of farm products marketed decreased from 1945 to 1946 by \$46 million. The sales value of grains marketed decreased by \$64 million, live stock \$5 million, fruits and vegetables \$1½ million. These decreases were offset to a considerable extent by increases of \$16 million in the value of dairy products, \$6 million in poultry and eggs and smaller increases in the case of furs, wool, tobacco, honey and miscellaneous products. While the decrease was greatest in the Province of Saskatchewan some decrease in the value of products marketed was reported in all provinces except Quebec and British Columbia.

In 1945 the Canadian grain crop was much below the level of the previous year so that cash income from grains, hay and seeds for the crop year 1945-46 was reduced \$184 million from the previous crop year to about \$406 million. This was a reduction of 31 per cent. Co-operative marketings dropped 24 per cent to \$205 million.

It is estimated that marketing co-operatives again handled approximately 28 per cent of the main farm products entering commercial channels of trade in 1945-46. Co-operative marketings as a percentage of the total of various products were as follows: dairy products, 21 per cent; live stock, 16 per cent; eggs and

poultry, 16 per cent; wool, 58 per cent; fruits and vegetables, 27 per cent; honey, 23 per cent; maple products, 28 per cent; tobacco, 88 per cent; grains and seeds, 50 per cent. These percentages are not changed appreciably from 1944-45 and to some extent any changes are accounted for by changes in coverage. For example, the business of the Saskatchewan Co-operative Creamery Association is included for the first time following its reorganization and release from Government control.

Merchandising

The reported sales value of supplies and merchandise purchased by co-operatives for members and patrons amounted to \$95,603,311 in 1945-46. This was an increase of \$14 million over the previous year. This increase was common to all provinces. Most of the increase was in food products and in feeds, fertilizer and spray material.

Fishermen's Co-operatives

In addition to the co-operative business summarized in the tables of this report, there were eighty-seven fishermen's co-operatives operating in 1945-46 with an estimated membership of 11,575. The value of fish sold is reported to have been \$10,720,331 and the value of supplies bought for fishermen \$1,392,101.

Insurance

Statistics regarding mutual fire insurance are presented in Table 3 for the year ended December 31, 1945. Net admitted assets were \$18 million, net amount of insurance carried \$1,554 million and losses paid in 1945 were \$3 million.

Credit Unions

Complete statistics for credit unions for 1946 have been published in a separate report.

Miscellaneous and Service Type Co-operatives

At the end of 1945 there were 2,368 co-operative telephone systems in operation across Canada with an investment in excess of \$21 million and 99,851 connected telephones. Other services are now being provided in a co-operative way including housing, lodging and boarding facilities, transportation, life insurance and funeral services. Perhaps two of the most important recent developments of this type are the county medical services in Ontario and rural electrification in Quebec.

During the year there has been a continued interest in co-operative farming. In Saskatchewan there are four associations organized for the co-operative use of machinery, and five in which labour, land and other capital resources are pooled. The Veterans Farm at Matador has been the subject of considerable publicity. By November 1946 approximately 2,600 acres of land had been broken by this organization and a co-operative community was under construction.

Table 1 - Statistical Summary of Co-operative Business Organizations in Canada,
Ten Years, 1937 to 1946

Year ended July 31	Asso- ciations	Places of business	Share- holders or members	Patrons	Sales of farm products	Sales of supplies	Total business including other revenue
	No.	No.	No.	No.	\$	\$	\$
1937	1,024	3,987	396,918	451,231	157,031,405	16,363,966	173,927,117
1938	1,217	4,125	435,529	462,937	134,493,746	20,091,893	155,080,435
1939	1,332	3,791	445,742	486,589	180,747,471	20,400,008	201,659,984
1940	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598
1944	1,792	4,534	690,967	719,080	459,798,798	65,508,771	527,855,540
1945	1,824	4,441	739,804	738,345	500,481,627	81,360,855	585,650,066
1946	1,953	4,488	926,863	922,928	454,564,927	95,603,311	554,329,652

Table 1 - Continued

Year ended July 31	Total Assets	Value of Plant	General liabilities	Paid-up share capital	Reserves and surplus	Working* Capital	Net worth in per cent of total assets
	\$	\$	\$	\$	\$	\$	%
1937	87,938,453	36,338,952	36,685,625	9,265,747	41,987,081	14,913,876	58.3
1938	83,140,697	36,569,984	33,423,607	9,265,391	40,451,699	13,147,106	59.8
1939	86,207,783	37,751,611	32,072,321	9,685,537	3,581,925	15,515,821	61.8
1940	102,685,109	38,265,055	48,424,694	10,155,221	44,105,194	15,995,360	52.8
1941	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7
1942	128,004,893	37,597,916	69,964,822	12,220,249	45,819,822	20,442,155	45.3
1943	186,634,839	36,866,861	121,264,085	13,091,948	49,278,806	25,503,893	33.4
1944	203,047,911	40,664,827	130,556,373	15,608,150	56,883,388	31,826,711	35.7
1945	171,128,184	43,048,326	87,354,033	15,789,047	67,985,104	40,725,825	49.0
1946	163,467,434	46,775,158	71,012,260	19,580,322	72,874,852	45,680,016	56.6

* Working capital, as used in this table, is the excess of assets less value of plant over general liabilities.

Table 2 - Products Marketed, Merchandise and Supplies Handled
by Co-operative Business Organizations in Canada,
Crop Year ended July 31, 1946.

	Associations ⁽¹⁾	Value of Sales
	No.	\$
Marketing -		
Dairy Products	581	76,886,462
Fruits and vegetables	183	30,701,682
Grain and seed	98	205,340,212
Livestock	312	83,023,834
Eggs and poultry	247	23,961,207
Honey	6	1,153,415
Maple products	1	794,285
Tobacco	6	27,624,924
Wool	13	2,135,367
Fur	3	1,609,470
Lumber and Wood	6	100,229
Miscellaneous	28	1,233,840
Total, Marketing	1,080	454,564,927
Merchandising -		
Food Products	427	24,886,273
Clothing and home furnishings	323	3,915,741
Petroleum products and auto accessories	585	13,265,374
Feed, fertilizer or spray material	889	38,043,432
Machinery and equipment	341	1,267,160
Coal, wood and building material	503	4,992,761
Miscellaneous	734	9,232,570
Total, Merchandising	1,446	95,603,311
Grand Total	1,953	550,168,238

(1) Duplication exists in this column since some Associations market produce as well as handle supplies. Some market more than one product and some handle many of the supplies listed.

Table 3 - Co-operative Business Organizations by Provinces,
Crop Year Ended July 31, 1946.

	Assoc- ciations	Shareholders or members	Sales of products	Sales of merchandise	Total business including other income
	No.	No.	\$	\$	\$
Prince Edward Island	21	6,127	2,301,638	742,092	3,131,587
Nova Scotia	88	15,421	3,543,493	9,457,254	13,083,407
New Brunswick	57	13,270	3,013,804	4,505,487	7,661,420
Quebec	605	60,026	45,150,529	21,054,652	66,215,901
Ontario	269	66,402	63,296,733	14,376,902	79,117,732
Manitoba	102	124,330	40,586,313	7,150,983	47,919,573
Saskatchewan	546	356,917	139,334,311	18,420,433	158,329,402
Alberta	156	214,445	89,421,272	9,939,557	99,722,957
British Columbia	103	32,483	33,032,832	7,606,711	41,895,074
Interprovincial	6	37,442	34,884,002	2,349,240	37,252,599
Total	1,953	926,863	454,564,927	95,603,311	554,329,652

Table 4 - Financial Structure of Co-operative Business Organizations
by Provinces, Crop Year Ended July 31, 1946.

Provinces	Total assets \$	Value of plant \$	General liabilities \$	Paid-up share capital \$	Reserves and surplus \$
Prince Edward Island	388,508	106,439	169,578	62,673	156,257
Nova Scotia	3,570,320	1,247,545	1,481,526	1,351,693	737,101
New Brunswick	1,412,413	376,805	466,977	462,065	483,371
Quebec	20,731,122	9,439,223	9,533,721	5,497,770	5,699,631
Ontario	10,058,566	4,291,252	4,752,402	2,435,805	2,870,359
Manitoba	13,931,599	3,126,402	8,644,966	808,976	4,477,657
Saskatchewan	64,131,354	12,944,556	20,245,880	1,500,000(1)	42,385,474
Alberta	20,343,973	5,260,201	9,260,491	1,240,967	9,842,515
British Columbia	13,951,116	4,875,257	8,291,401	2,967,527	2,692,188
Interprovincial	14,248,463	5,107,478	8,165,318	3,252,846	3,530,299
Total	163,467,434	46,775,158	71,012,260	19,580,322	72,874,852

(1) As Saskatchewan has adopted a new basis of reporting the amount of paid-up share capital has been estimated.

Table 5 - Farmers' Mutual Fire Insurance Companies in Canada, 1945.

Provinces	Number of companies	Unassessed premium note residue	Net admitted assets	Total liabilities	Net amount insurance at risk	Net losses paid 1945
Prince Edward Island	1	-	226,654 ⁽¹⁾	3,245	16,887,369	29,168
Nova Scotia	5	77,373	572,738	133,910	23,787,466	42,595
New Brunswick	5	166,977	94,295	49,266	10,525,593	13,397
Quebec						
County	9	1,816,427	72,827	39,191	28,288,340	98,456
Municipality	76	-	125,612	10,954	28,731,239	49,768
Parish	240	6,692,787	487,880	80,533	150,532,699	338,920
Ontario	66	16,694,216	7,874,845	1,450,655	702,084,455	1,114,920
Saskatchewan	5 ⁽²⁾	165,023	1,305,884	500,351	90,735,806	210,331
British Columbia	1	127,935	87,668	24,177	7,574,344	8,119
Dominion	2	1,595,414	7,289,219	3,375,932	495,079,824	1,247,455
Total	410	27,336,152	18,137,622	5,668,214	1,554,227,135	3,153,129

(1) Includes unassessed premium note residue

(2) Includes one company which does business in the four western provinces.

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Economics Division,
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Department of Agriculture.

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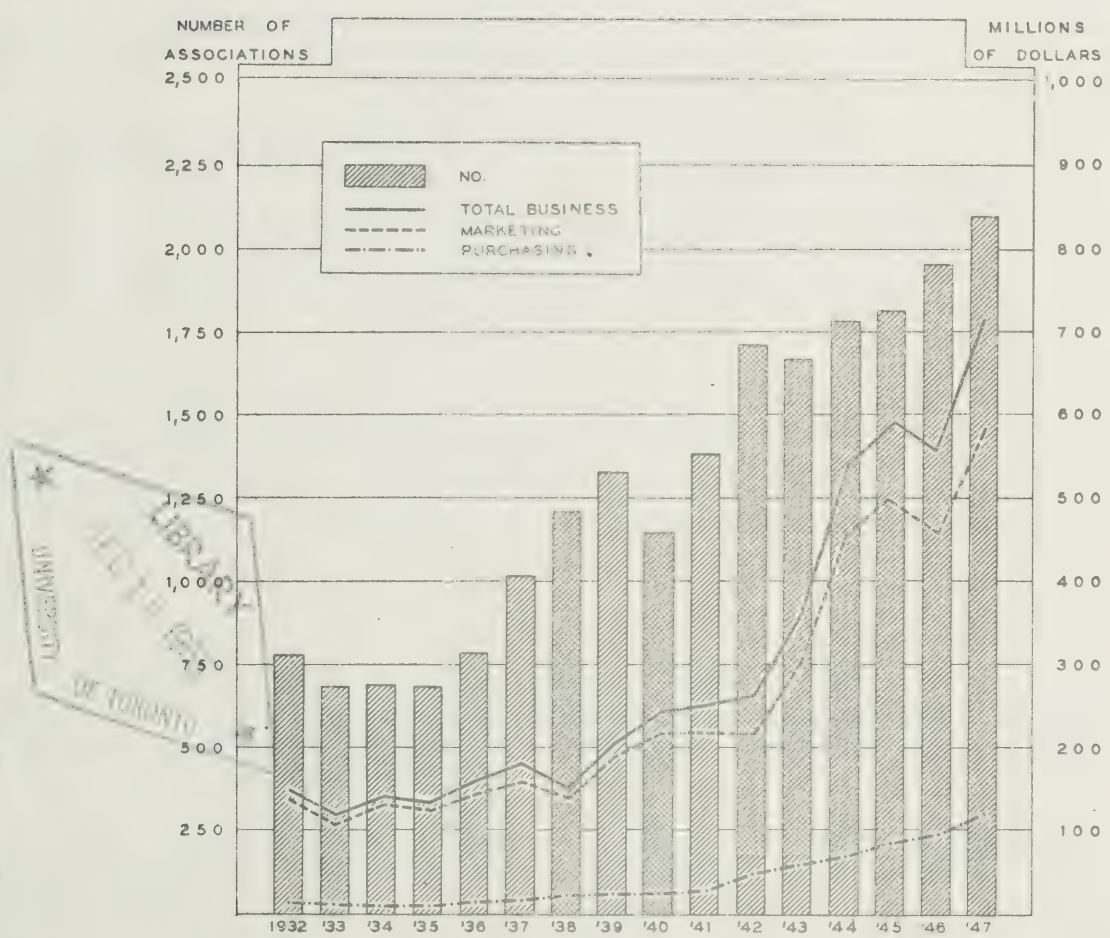
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CO-OPERATION IN CANADA

1946/1947

Sixteenth Annual Summary



Growth of Co-operatives in Canada, 1932 - 1947.

CO-OPERATION IN CANADA 1947^x

Since 1932, the Economics Division, Marketing Service, Department of Agriculture has collected and tabulated information which was submitted voluntarily by co-operatives throughout Canada and an annual report has been made on their operations. Until 1941 the report was concerned mainly with "farmers' business organizations" but since that year the report has included data on credit unions, fishermen's co-operatives, consumer co-operatives and service type co-operatives. In 1945 and 1946 a separate report was issued dealing with credit unions and again this year these "people's banks" are reported on in another bulletin.

Co-operation in the marketing of farm products and in the purchasing of farm supplies and consumer goods has increased steadily during the past sixteen years (cover chart and table 1). Although there have been fluctuations due to increased numbers of returns filed and also to changes in price levels, the figures indicate a rather steady growth and expansion.

For the crop year ended July 31, 1947, 2,095 associations reported to the Economics Division on their business. Total membership reported was 982,990 but it must be noted that there is duplication in this figure since many people, and farmers especially, belong to more than one co-operative. For instance, a farmer may market his milk through one association, his eggs and poultry through another. Similarly the urban consumer may be a member of a co-operative dairy, a consumers' store and a co-operative medical services plan.

Total business reported by the co-operatives for the crop year 1947 amounted to \$712,583,246 which is a record volume and exceeds the figure for the previous year by over \$158 millions. Part of this increase is the result of a very large increase in returns for the Province of Ontario and also partly from the rise in the general level of prices which occurred during the period.

Marketing

Sales of farm products increased by about \$125 millions over the reported figure for the year previous. Co-operation in the marketing of farm products still is much greater than in co-operative purchasing but the ratio is now about 5 to 1 compared to 10 to 1 in 1940.

Every product which co-operatives market in Canada showed an increase in sales value in 1946-47 with the exceptions of honey and wool. Wool sales decreased by only a small amount but in 1946 the honey crop was almost a complete failure and sales by co-operative honey producers were down by well over 50 per cent. Sales value of grains marketed increased by \$77 millions, fruits and vegetables by \$13 millions, tobacco by \$16 millions, dairy products by \$6 millions and poultry and eggs by \$2 millions.

^x Prepared by J.E. O'Meara, Marketing Service, Economics Division, Department of Agriculture, Ottawa, Canada.

Table 1 - Growth of Co-operatives in Canada

1932 - 1947

Crop Year Ended:	Assns.	Total Business Including Other Revenue	Marketing	Purchasing
	No.	000 \$	000 \$	000 \$
1932	795	145,303.9	134,611.1	10,665.5
1933	686	115,849.9	106,804.2	8,779.1
1934	690	136,411.5	128,909.0	7,389.0
1935	697	130,384.9	120,853.6	9,241.8
1936	781	158,165.6	144,962.6	12,788.2
1937	1,024	173,927.1	157,031.4	16,363.9
1938	1,217	155,080.4	134,493.7	20,091.9
1939	1,332	201,659.9	180,747.5	20,400.0
1940	1,151	236,322.5	214,293.4	21,129.8
1941	1,395	242,158.3	215,030.4	25,895.4
1942	1,722	257,090.4	214,762.9	42,327.5
1943	1,650	352,785.6	295,499.3	55,689.1
1944	1,792	527,855.5	459,798.8	65,508.7
1945	1,824	585,650.1	500,481.6	81,360.9
1946	1,953	554,329.7	454,564.9	95,603.3
1947	2,095	712,583.2	578,638.2	127,001.5

All provinces reported increases in the value of farm products sold with the exception of New Brunswick where sales were down by over \$450,000. Saskatchewan, Ontario, and Alberta all reported sales volume increases ranging from \$25 to \$35 millions.

Marketing co-operatives handled approximately 31 per cent of the main farm products entering commercial channels of trade in 1946-47 as compared with 28 per cent in 1945-46. Marketings as a percentage of the total of various products were as follows with the percentage for the previous year indicated in brackets: Dairy products, 22 per cent (21); live stock, 18 per cent (16); poultry and eggs, 17 per cent (16); wool, 73 per cent (58); fruits and vegetables, 32 per cent (27); maple products, 12 per cent (28); tobacco, 87 per cent (88); honey, 11 per cent (23).

Merchandising

The reported sales value of supplies and goods purchased by co-operatives for distribution to members and patrons for the year 1946-47 amounted to \$127,001,488. This is an increase of \$31,398,177 and marks the first time since 1932 that the merchandising sales volume has been greater than \$100 millions. Greatest single increase was recorded in feed and fertilizer with total sales of \$53.4 millions compared with \$38 millions for the previous year.

Financial Structure

A revised schedule was returned by reporting co-operatives for the year 1946-47 and the balance sheets submitted were consolidated on a slightly different basis than in previous years. Total liabilities now distinguish between those to the public and those to members. Liabilities to members include loans from members, and any surplus shown as being allocated to members such as deferred patronage refunds payable to members on a revolving plan or not, as well as any unpaid dividends or any amounts credited to members which are to be paid out later on a pro rata basis.

Liabilities to the public include the items usually found under general liabilities both current and deferred. Members' equity is the sum of the liabilities to the members and the net worth, the latter comprising paid-up share capital and any unallocated reserves and undivided surplus.

For the crop year ended July 31, 1947 liabilities to the public amounted to \$71.4 millions and liabilities to members was \$46 millions. Net worth was calculated to be \$50.8 millions and total members' equity was thus \$96.8 millions which is the excess of assets over liabilities to the public. Members' equity is made up of value of plant at \$53 millions and working capital of \$43.8 millions. During 1947 value of plant increased by about \$7 millions over 1946 while working capital was less by about \$2 millions. Total members' equity increased by approximately \$4½ millions.

Table 2 - Statistical Summary of Co-operative Business Organizations in Canada,
Ten Years, 1938 to 1947

Year Ended July 31	Asso- ciations	Places of Business	Share- holders or Members	Patrons	Sales of Farm Products	Sales of Supplies	Total Business Including Other Revenue
No.	No.	No.	No.	No.	\$	\$	\$
1938	1,217	4,125	435,529	462,937	134,493,746	20,091,893	155,080,435
1939	1,332	3,791	445,742	486,589	180,747,471	20,400,008	201,659,984
1940	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598
1944	1,792	4,534	690,967	719,080	459,798,798	65,508,771	527,855,540
1945	1,824	4,441	739,804	738,345	500,481,627	81,360,855	585,650,066
1946	1,953	4,488	926,863	922,928	454,564,927	95,603,311	554,329,652
1947	2,095	5,084	982,990	1,036,498	578,638,214	127,001,488	712,583,246

Table 2 - Continued

Year Ended July 31	Total Assets	Value of Plant	Liabilities to the Public	Members Equity
	\$	\$	\$	\$
1938	83,140,697	36,569,984	33,423,607	49,717,090
1939	86,240,783	37,751,641	32,973,321	53,267,462
1940	102,685,109	38,265,055	48,424,694	54,260,415
1941	145,658,904	38,567,084	92,222,947	53,435,957
1942	128,004,893	37,597,916	69,964,822	58,040,071
1943	186,634,839	36,866,861	124,264,085	62,370,754
1944	203,047,911	40,664,827	130,556,373	72,491,538
1945	171,128,184	43,048,326	87,354,033	83,774,151
1946	163,467,434	46,775,158	71,012,260	92,455,174
1947	168,195,387	53,027,212	71,403,750	96,791,637

Wholesaling

Every province in Canada now has at least one central co-operative wholesale and eleven such associations reported on their operations during 1946-47.

These wholesales are of two kinds -- centralized and federated. The federated type count as members only incorporated local area co-operatives and the centralized types have individual members who are served by the retail branches of the central.

In some provinces the wholesale does only purchasing for its members but in others the central acts as a marketing co-operative as well as doing a purchasing business.

Total assets reported by these 11 wholesales amounted to \$14.5 millions in 1946. Liabilities to the public were \$7.5 millions and liabilities to members were \$1.2 millions. Members' equity amounted to \$7 millions.

Goods and supplies purchased by the wholesales and distributed to their members had a sales value of just over \$40 millions, over 50 per cent of which (\$21 millions) was feed and fertilizer. Food products, farm machinery and petroleum products sales amounted to \$14.8 millions.

Farm products marketed by the wholesales on behalf of both individual members and corporate members amounted to \$43.9 millions. Main product marketed was live stock with a sales value of \$22.8 millions followed by dairy products at \$14.5 millions and eggs and poultry at \$4.4 millions. Other products, such as grain, fruits and vegetables, constituted the remainder.

Most of these wholesales are members of National Co-operatives Inc. in the United States and are also members of Interprovincial Co-operatives Ltd. in Canada. The latter acts as a purchasing and distributing co-operative for the wholesales.

Fishermen's Co-operatives

In addition to the statistics presented above reports were received from 83 co-operatives mainly engaged in the marketing of fish during 1946-47. Value of fish marketed by these groups was \$10,558,912. Fishermen's gear and bait as well as consumer goods such as groceries, dry goods and clothing were also handled. Sales value of these goods and supplies was \$1,515,276.

Membership in fishermen's co-operatives was estimated at 10,826 and total assets reported amounted to \$6 millions.

Insurance

Statistics provided by the provinces on the extent of farmers' mutual fire insurance companies for the year ended December 31, 1946 are

Table 3 - Products Marketed, Merchandise and Supplies Handled
by Co-operative Business Organizations in Canada,
Crop Year ended July 31, 1947

	: Associations ⁽¹⁾ :	: Value of Sales :
	: No. :	: \$:
Marketing -		
Dairy products	645	83,233,972
Fruits and vegetables	176	44,205,752
Grain and seed	96	283,262,461
Livestock	325	91,593,252
Eggs and poultry	269	26,034,954
Honey	8	517,544
Maple products	1	1,115,982
Tobacco	7	43,747,881
Wool	15	2,093,967
Fur	4	1,966,806
Lumber and wood	7	121,705
Miscellaneous	37	743,938
Total, Marketing	1,124	578,638,214
Merchandising -		
Food products	489	27,933,952
Clothing and home furnishings	335	3,857,771
Petroleum products and auto accessories	616	14,671,057
Feed, fertilizer or spray material	947	53,438,346
Machinery and equipment	242	1,680,228
Coal, wood and building material	557	8,034,153
Miscellaneous	829	17,385,981
Total, Merchandising	1,548	127,001,488
Grand Total	2,095	705,639,702

(1) Duplication exists in this column since some Associations market produce as well as handle supplies. Some market more than one product and some handle many of the supplies listed.

consolidated in Table 6. Net admitted assets were \$20 millions, net amount of insurance carried was \$1,689 millions and net losses paid in 1946 amounted to \$3 millions.

In addition to mutual fire insurance there have been recent developments in the field of life insurance and fidelity bonding on a co-operative basis. The Co-operative Life Insurance Co. with headquarters at Regina, Saskatchewan operates under a Dominion license in Ontario, Manitoba, Saskatchewan and Alberta. The Co-operators' Fidelity and Guarantee Association in Ontario bonds treasurers and officers of credit unions and co-operative associations and is considering expanding into field of automobile insurance.

Miscellaneous and Service Type Co-operatives

During 1946 there were 2354 co-operative telephone systems in Canada with a total investment of \$22.6 millions and 117,656 connected instruments. Other services are also provided co-operatively including housing, board and room, transportation, funeral services, electricity, machinery and electrical repairs, medical services and hospitalization. Increased interest in the latter has led to the organization of a score or more co-operative medical services in Ontario alone and these have recently organized themselves into the Co-operative Medical Services Federation.

For the year 1946-47 over 40 service type co-operatives reported their membership at 29,994 and total revenue from services rendered at slightly over \$800,000.

Table 4 - Co-operative Business Organizations by Provinces,
Crop Year ended July 31, 1947

Province	: : Assoc- : ciations : No.	: : Shareholders : or Members : No.	: : Sales of : Products : \$	: : Sales of : Merchandise : \$	: : Total Business : Including : Other Revenue : \$
Prince Edward Island	20	6,254	2,425,352	963,278	3,460,836
Nova Scotia	96	13,122	8,548,552	10,052,728	18,685,973
New Brunswick	57	12,203	2,543,210	5,219,960	7,802,231
Quebec	590	56,694	50,493,314	25,208,856	75,712,503
Ontario	402	74,920	92,509,241	32,555,933	128,122,831
Manitoba	108	157,822	51,765,141	9,820,607	62,190,862
Saskatchewan	545	370,937	172,544,516	21,723,140	195,121,578
Alberta	169	218,217	116,529,637	10,257,756	127,685,241
British Columbia	102	33,255	37,041,213	8,491,384	46,641,954
Interprovincial	6	39,566	44,238,038	2,707,846	47,159,237
Total	2,095	982,990	578,638,214	127,001,488	712,583,246

Table 5 - Financial Structure of Co-operative Business Organizations
by Provinces, Crop Year ended July 31, 1947

Province	Total Assets	Value of Plant	Liabilities to the Public	Liabilities to Members	Net Worth	Members Equity
	\$	\$	\$	\$	\$	\$
Prince Edward Island	464,111	79,527	153,747	68,692	241,672	310,364
Nova Scotia	4,509,546	2,221,921	1,581,548	268,286	2,659,712	2,927,998
New Brunswick	1,591,096	379,276	650,416	48,504	892,176	940,680
Quebec	24,039,899	11,143,234	12,889,223	--	11,150,676	11,150,676
Ontario	14,034,463	5,979,702	5,564,997	2,150,252	6,319,214	8,469,466
Manitoba	12,434,185	3,503,638	2,704,986	5,410,188	4,319,011	9,729,199
Saskatchewan	54,949,909	12,480,603	19,993,605	26,229,385	8,726,919	34,956,304
Alberta	25,362,014	6,217,130	10,738,530	10,358,479	4,265,005	14,623,484
British Columbia	16,928,051	5,955,878	10,218,893	1,047,961	5,661,197	6,709,158
Interprovincial	13,882,113	5,066,303	6,907,805	413,398	6,560,910	6,974,308
Total	168,195,387	53,027,212	71,403,750	45,995,145	50,796,492	96,791,637

Table 6 - Farmers' Mutual Fire Insurance Companies in Canada, 1946

Province	Number of Companies	Unassessed Premium Note Residue	Net Admitted Assets	Total Liabilities	Net Amount Insurance at Risk	Net Losses Paid 1946
Prince Edward Island	1	--	(a) 252,488	2,817	19,385,924	37,690
Nova Scotia	5	91,196	610,246	143,062	26,522,596	50,882
New Brunswick	5	221,168	114,017	57,443	12,595,711	24,962
Quebec - County	9	1,926,081	97,993	26,114	29,989,823	60,928
- Municipality	77	--	124,301	5,448	30,320,969	39,847
- Parish	241	7,285,521	551,390	63,709	158,984,690	277,851
Ontario	66	17,973,879	8,472,353	1,492,623	749,533,006	1,338,196
Saskatchewan	(b) 5	97,979	1,379,939	568,634	92,335,362	244,176
British Columbia	1	140,178	96,873	29,294	8,443,860	10,671
Dominion	2	1,563,018	8,441,818	4,307,059	560,974,793	928,933
Total	412	29,299,020	20,141,418	6,696,203	1,689,086,734	3,014,136

(a) Includes unassessed premium note residue.

(b) Includes one company which does business in the four western provinces.

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CO-OPERATION IN CANADA 1943*

Co-operative business organizations in Canada occupy an important position in the marketing of agricultural products, purchasing of farm supplies, and in operating co-operative stores. A new development is the expansion of co-operative housing in Canada. Houses have been built on the co-operative plan in a number of cities where the housing shortage is acute.

During 1943, the Economics Division, Marketing Service, Dominion Department of Agriculture received returns from 1,650 active co-operative associations. Of these associations, 853 marketed farm products, and 1,213 purchased supplies for their members, or operated co-operative stores. This larger number of co-operatives purchasing supplies for their members is explained by the fact that many marketing co-operatives purchase supplies for their members as well. For example an association marketing fruit may also purchase fertilizer and spray material for the members, and an association marketing live stock may also purchase feed.

Shareholders and members financially interested numbered 585,826, and patrons were estimated to number 608,680. Total assets, after making provision for bad debts and depreciation, amounted to \$186,634,839 of which the book value of plant and equipment was \$36,866,861. The members' equity amounted to \$62,370,754 consisting of paid-up share capital of \$13,091,948 and reserves and surplus of \$49,278,806. This was an increase of \$4,330,683 in net worth over 1942. From 1942 to 1943 total working capital increased from \$20,442,155 to \$25,503,893. The relation of net worth to total assets has decreased from 45 per cent in 1942 to 33 per cent in 1943. This is due mostly to the large borrowings which were made to offset the stocks of grain now in storage.

Sales of farm products amounted to \$295,499,274, sales of supplies and merchandise \$55,689,141 and other revenue \$1,597,183, or a total business of \$352,785,598.

Marketing.— Sales of grain by grain co-operatives amounted to \$134 million for the year ending July 31, 1943 in comparison with a total of \$87 million for the year previous. Sales value of marketings of grain, dairy products, live stock, fruits and vegetables, and poultry increased from \$189 million in 1942 to \$272 million in 1943 or an increase of 44 per cent.

A useful measure of co-operative activity on a regional basis is obtained by dividing the total amount of co-operative marketings for an area by the number of farms which it contains as reported in the last census. On this basis for the crop year 1942-43, British Columbia led all provinces with average marketings of \$642 per farm, Saskatchewan was in second place with \$621 per farm, Manitoba \$553, and Alberta \$461. The

*Prepared by A.E. Richards and Lucienne Lalonde, Marketing Service, Economics Division, Department of Agriculture, Ottawa, Canada.

average for Canada as a whole was \$403. During the past twelve years, the annual average for all of Canada was \$233 per farm. Farm products marketed co-operatively in Saskatchewan in the twelve years have averaged \$383 annually per occupied farm. British Columbia ranked second with \$338, Alberta was third with \$315, and Manitoba stood in fourth place with \$268 of co-operative marketings per farm.

The grain growers are the most completely organized of the commodity co-operative marketing groups. Approximately 43 per cent of all commercial marketings of grain were handled through co-operatives. Organizations of livestock producers handled 17 per cent of the total commercial marketings of cattle, calves, hogs, and sheep and lambs. Co-operatives are credited with handling about 14 per cent of the total sales of fluid milk and manufactured dairy products and roughly 35 per cent of the fruits and potatoes marketed. Marketing co-operatives handled approximately 24 per cent of the main farm products entering commercial channels of trade.

Merchandising.- Sales of feed, fertilizers or spray material amounted to \$19 million. Of this amount \$13 million was purchased for members of co-operatives in Quebec and Ontario. Sales of food products amounted to \$12.6 million; Nova Scotia, Saskatchewan, and Ontario having a combined sales value of \$7.2 million. Sales of petroleum products and auto accessories amounted to \$9.9 with Saskatchewan handling \$6.6 million of this amount.

Fishermen's Co-operatives.- In addition to co-operatives marketing agricultural products, there were a total of 67 fishermen's co-operative associations operating in 1942 with an estimated membership of 4 826. The total volume of business amounted to over \$2.6 million.

Credit Unions.- At the end of 1943, almost 1,800 credit unions were chartered in all the provinces of Canada. This is an increase of approximately 20 per cent in the number of credit unions since 1942. During 1943 Canadian credit unions loaned \$16.9 million for "provident and productive purposes".

Insurance.- For the year ending December 31, 1942, 400 farmers' mutual fire insurance companies carried insurance risks amounting to more than \$1,306,655,800. These companies are purely mutual companies. They are controlled and directed by their farmer members for mutual benefit. All companies are incorporated under either Dominion or Provincial legislation. The statistics in Table 8 are taken from the reports of the various superintendents.

Miscellaneous and Service Type Co-operatives.- Several kinds of services are rendered by co-operative associations such as telephone systems, housing, medical and hospital service plans, and burial societies. At the end of 1942 there were 2,387 telephone systems and 105,075 connected telephones. The total investments in these systems was over \$22 million.

In recent years there has been a rapid expansion of medical and hospital plans with an increasing enrollment of participants. These plans which include a number of co-operative features, will be discussed in a separate article when more complete statistics are available.

The housing co-operative movement is a new enterprise in Canada which is making good progress. In the Nova Scotia Housing Commission Report for year ended November 30, 1942, it is stated that homes in seven housing communities are either completed or now in process of completion. These houses are built by the members themselves and financed by the Housing Commission. In the province of Alberta, four co-operative building associations have been incorporated since 1942. One association has already built 40 houses and 5 more are under construction. Two associations have not yet started operations but intend to build homes immediately, and the members of one of those associations propose also to make improvements on their homes. Members of another association are collecting their savings now so that they may be ready to operate and build new homes as soon as the war ends. Co-operative housing projects have been undertaken in approximately 18 towns or cities in the province of Quebec, one of which comprises 125 houses. At least 10 more projects are under consideration in this province.

Co-operative principles have also been applied to transportation - members' transportation by bus to and from work, or trucking farm products - restaurants, cleaning seed, printing and publishing, electrification, and room and board facilities.

Table 1.-Summary of Annual Statements of Numbers, Membership and Business of
Co-operative Business Organizations in Canada, 1932 to 1943

Year ended July 31	: : Asso- : ciations	: : Places : of : business	: : Share- : holders or : members	: : Patrons : : : No.	: : Sales : of farm : products	: : Sales : of : supplies	: : Total business : : including other : revenue
	No.	No.	No.	No.	\$	\$	\$
1932	795	3,501	379,687	417,000	134,611,154	10,665,503	145,303,954
1933	686	3,057	342,369	376,000	106,804,186	8,779,115	115,849,894
1934	690	3,223	345,024	379,740	128,909,035	7,389,034	136,411,483
1935	697	3,301	341,020	378,730	117,783,560	7,991,755	126,064,891
1936	781	3,186	366,885	406,321	144,962,609	12,788,192	158,165,565
1937	1,024	3,987	396,918	451,231	157,031,405	16,363,966	173,927,117
1938	1,217	4,125	435,529	462,937	134,493,746	20,091,893	155,080,435
1939	1,332	3,791	445,742	486,589	180,747,471	20,400,008	201,659,984
1940	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598

Table 2.-Summary of Annual Balance Sheets and Financial Condition of
Co-operative Business Organizations in Canada, 1932 to 1943

Year ended	Total	Value	General	Paid-up	Reserves	Working*	Net worth in
July 31	assets	of	liabilities	share	and	capital	per cent of
	\$	\$	\$	capital	surplus	\$	total assets
							%
1932	70,226,288	45,607,366	22,072,231	8,570,498	37,805,137	2,546,691	66.0
1933	90,003,261	42,520,970	43,005,593	8,224,016	38,773,652	4,476,698	52.2
1934	104,350,702	40,432,859	56,046,004	8,722,451	39,590,050	7,871,839	46.3
1935	105,183,565	38,850,488	55,306,671	8,933,425	40,943,469	11,026,406	47.4
1936	85,751,901	35,289,468	34,665,210	8,954,135	42,132,556	15,797,223	59.6
1937	87,938,453	36,338,952	36,685,625	9,265,747	41,987,081	14,913,876	58.3
1938	83,140,697	36,569,984	33,423,607	9,265,391	40,451,699	13,147,106	59.8
1939	86,240,783	37,751,641	32,973,321	9,685,537	43,581,925	15,515,821	61.8
1940	102,685,109	38,265,055	48,424,694	10,155,221	44,105,194	15,995,360	52.8
1941	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7
1942	128,004,893	37,597,916	69,964,822	12,220,249	45,819,822	20,442,155	45.3
1943	186,634,839	36,866,861	124,264,085	13,091,948	49,278,806	25,503,893	33.4

*Working capital, as used in this table, is the excess of assets less value of plant over general liabilities

Table 3.-Products Marketed, Merchandise and Supplies Handled
by Co-operative Business Organizations in Canada,
Crop Year Ended July 31, 1943

	: Asso- : : ciations: No.	Value of sales \$
Marketing-		
Dairy products	446	44,296,347
Fruits and vegetables	161	19,505,146
Grain and seed	105	134,239,789
Live stock	225	62,839,589
Poultry	194	10,923,819
Honey	6	530,180
Maple products	7	1,137,980
Tobacco	10	18,957,319
Wool	7	1,988,880
Fur	2	761,014
Lumber and wood	7	142,139
Miscellaneous	14	177,072
Total, Marketing	853	295,499,274
Merchandising-		
Food products	518	12,616,807
Clothing and home furnishings	229	2,239,825
Petroleum products and auto accessories	500	9,878,611
Feed, fertilizer or spray material	625	19,281,830
Machinery and equipment	125	479,958
Coal, wood and building material	413	4,911,407
Miscellaneous	535	6,280,703
Total, Merchandising	1,213	55,689,141
Grand total	1,650	351,188,415

Table 4.-Co-operative Business Organizations by Provinces,
Crop Year Ended July 31, 1943

Province	: :Associations :	: :Shareholders : or members	: :No	: :Sales of : products	: :Sales of : merchandise	: :Total business : including : other income
	No	No	\$	\$	\$	\$
Prince Edward Island	22	11,065	2,572,915	478,090	3,051,465	
Nova Scotia	114	14,970	3,450,906	5,353,945	8,847,127	
New Brunswick	29	5,630	2,165,452	1,319,727	3,487,761	
Quebec	440	40,086	27,948,844	10,754,330	38,708,194	
Ontario	237	50,494	46,047,257	9,433,009	55,968,902	
Manitoba	91	60,932	32,074,807	3,801,436	35,937,499	
Saskatchewan	513	210,691	86,081,763	13,623,112	100,423,432	
Alberta	110	126,367	45,943,903	4,951,519	50,900,411	
British Columbia	88	20,473	16,924,754	3,707,133	20,820,791	
Interprovincial	6	45,118	32,288,673	2,266,840	34,566,016	
Total	1,650	585,826	295,499,274	55,689,141	352,785,598	

Table 5.-Financial Structure of Co-operative Business Organizations
by Provinces, Crop Year Ended July 31, 1943

Province	Total assets	Value of plant	General liabilities	Paid-up share : capital	Reserves and surplus
	\$	\$	\$	\$	\$
Prince Edward Island	224,793	33,818	171,874	34,839	18,080
Nova Scotia	2,669,972	929,302	1,096,111	911,919	661,942
New Brunswick	529,462	184,436	342,565	130,023	56,874
Quebec	11,101,132	4,606,528	5,838,260	1,855,601	3,407,271
Ontario	6,066,495	2,356,757	2,730,142	1,398,509	1,937,844
Manitoba	15,481,384	2,757,392	11,604,282	573,841	3,303,261
Saskatchewan	85,711,844	13,032,367	55,917,299	2,181,351	27,613,194
Alberta	27,961,267	4,942,597	19,405,137	542,578	8,013,552
British Columbia	7,375,731	2,021,191	3,804,484	2,168,971	1,402,276
Interprovincial	29,512,759	6,002,473	23,353,931	3,294,316	2,864,512
Total	186,634,839	36,866,861	124,264,085	13,091,948	49,278,806

Table 6.-Statistical Summary of Credit Unions in Canada
by Provinces for 1943 Financial Year

Province	Credit : : unions	Members : : No.	Total : : assets	Shares : : \$	Deposits : : \$	Loans granted : : in last financial year	Loans granted : : since inception
	No.	No.	\$	\$	\$	\$	\$
P.E.I.	47	6,116	207,082	152,536	41,399	115,773	633,840
N.S.	204	28,850	1,469,281	1,317,744	38,984	1,065,812	6,719,911
N.B.	145	23,446	1,142,115	1,031,240	46,866	872,321	3,194,456
Que.-							
Desjardins*	765	237,078	60,501,514	4,652,638	52,989,247	10,000,000	122,061,694
Other	10	1,930	158,279	61,226	28,914	84,015	331,740
Ont.	163	32,672	3,483,790	1,354,714	1,722,511	2,426,473	16,519,903
Man.	80	8,625	488,288	200,035	266,977	395,092	1,076,679
Sask.	128	14,600	797,003	483,863	280,096	824,217	1,935,650
Alta.	129	10,066	469,021	355,077	87,021	562,028	1,445,591
B.C.	109	10,686	503,281	448,817	20,970	600,561	1,077,573
Canada, 1943	1,780	374,069	69,219,654	10,057,890	55,522,985	16,946,292	154,997,037
Canada, 1942	1,486	295,984	43,971,925	7,141,756	33,644,782	10,926,085	137,943,452

*Six Caisses Regionales with assets of \$11,215,203 are not included here.

Table 7.-Approximate Number of Credit Unions Serving Rural
and Urban Members and an Estimate of the Percentage
of Total Assets that is Owned by each Type for 1943

Province	Credit unions			Percentage of assets*		
	Total	Urban	Rural	Total	Urban	Rural
	No.	No.	No.	%	%	%
Prince Edward Island	47	5	42	100	11	89
Nova Scotia	204	80	124	100	73	27
New Brunswick	145	48	97	100	41	59
Quebec	775	131	644	100	39	61
Ontario	163	141	22	100	98	2
Manitoba	80	20	60	100	28	72
Saskatchewan	128	35	93	100	25	75
Alberta	129	59	70	100	77	23
British Columbia	109	67	42	100	82	18
Canada	1,780	586	1,194	100	43	57

Table 8.-Farmers' Mutual Fire Insurance Companies in Canada, 1942

Province	Number of companies	Unassessed premium note residue	Net admitted assets	Total liabilities	Net amount insurance at risk	Net losses paid 1942
		\$	\$	\$	\$	\$
Prince Edward Island	1	-	170,888 ^{1/}	3,322	14,438,267	16,441
Nova Scotia	5	59,191	419,916	99,988	19,649,884	36,439
New Brunswick	5	77,976	38,109	22,792	4,498,130	11,302
Quebec-						
County	9	1,557,852	59,671	30,096	23,946,436	61,999
Municipality	76	-	90,395	4,640	23,890,742	29,854
Parish	228	5,522,021	268,735	43,837	119,051,530	155,132
Ontario	67	14,660,877	5,961,468	1,197,403	606,143,403	940,682
Saskatchewan	62 ^{2/}	177,631	858,371	358,349	52,187,562	29,063
British Columbia	1	109,699	59,042	22,052	-	12,744
Dominion	2	1,755,104	4,801,630	2,180,777	442,849,846	1,022,600
Total	400	23,920,351	12,728,225	3,963,256	1,306,655,800	2,316,256

^{1/}Includes unassessed premium note residue.

^{2/}Includes one company which does business in the four western provinces.

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**NINETEENTH
ANNUAL
SUMMARY**

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**CO-OPERATION
IN CANADA**



BY J. E. O'MEARA

ISSUED JULY, 1951

CANADA, DEPARTMENT OF AGRICULTURE

THE RIGHT HON. JAMES G. GARDINER, MINISTER

1343 / **1950**

CO-OPERATION IN CANADA

1950

NINETEENTH ANNUAL SUMMARY



Compiled by the Economics Division, Marketing Service,
Canada Department of Agriculture,
Ottawa, Canada.

Published by Authority of
the Rt. Hon. James G. Gardiner, Minister of Agriculture,
July, 1951.

INTRODUCTION

In 1932, the Economics Division, Marketing Service, Canada Department of Agriculture published the first statistical summary of the extent of co-operative marketing and purchasing by business organizations owned and controlled by farmers. Since that date similar reports have been prepared regularly and this bulletin is the Nineteenth Annual Summary of co-operative business in Canada.

All returns on which this report is based are provided voluntarily by the co-operative associations. The assistance of provincial government officials in Newfoundland, Nova Scotia, New Brunswick, Quebec, Manitoba, Saskatchewan and Alberta is gratefully acknowledged. Secretaries of provincial co-operative unions and the audit departments of several provincial co-operative wholesales have also helped by placing their facilities at our disposal.

Mr. Fernand Guerard was responsible for the major part of the clerical tabulations.

Table 1. Co-operatives in Canada, by Provinces, 1950

Province	Marketing and Purchasing Co-oper- atives	Fisher- men's Co-oper- atives	Service Co-oper- atives	Total
	No.	No.	No.	No.
British Columbia	135	7	19	161
Alberta	215	-	72	287
Saskatchewan	563	1	57	621
Manitoba	151	-	12	163
Ontario	396	3	63	462
Quebec	776	38	118	932
New Brunswick	70	18	3	91
Nova Scotia	123	24	5	152
Prince Edward Island	26	5	-	31
Newfoundland	33	8	2	43
Interprovincial	7	-	1	8
Total	2,495	104	352	2,951

Table 2. ^{1/} Membership of Co-operatives in Canada, by Provinces, 1950

Province	Marketing and Purchasing Co-oper- atives	Fisher- men's Co-oper- atives	Service Co-oper- atives	Total
	No.	No.	No.	No.
British Columbia	49,049	9,148	7,868	66,065
Alberta	222,955	-	7,687	230,642
Saskatchewan	403,499	29	23,486	427,014
Manitoba	163,616	-	2,321	165,937
Ontario	95,736	42	40,092	135,870
Quebec	89,365	3,205	28,923	121,493
New Brunswick	12,246	1,856	122	14,224
Nova Scotia	22,536	1,557	302	24,395
Prince Edward Island	8,293	132	-	8,425
Newfoundland	5,419	828	74	6,321
Interprovincial	a/ 100,412	-	37,091	137,503
Total	1,173,126	16,797	147,966	1,337,889

^{1/} Membership figures are subject to duplication since persons are often members of more than one association.

a/ Both co-operative associations and individual.

In addition, a major economic research project was undertaken in 1950 by United Co-operatives of Ontario in co-operation with the Agricultural Economics department of the Ontario Agricultural College. This project concerned the problems involved in the commercial relationships between the local co-operatives and the central wholesale in Ontario with special reference to the purchasing and distribution of farm supplies.

Co-operative legislation in Canada is mainly the concern of the several provincial governments and during 1950 the major legislative change occurred in Saskatchewan where the Act concerning co-operative associations was completely revised and re-written. The Act was assented to on April 8th, 1950 and came into force on May 1st of the same year. This Act as now written is probably the most detailed and complete of any of the provincial statutes dealing with co-operatives. It is divided into seven parts as follows: 1, General; 2, Consumers' Associations; 3, Production Associations; 4, Community Service Associations; 5, Housing Associations; 6, Federations; 7, Miscellaneous. The Act also repeals all previous legislation in this field except the Co-operative Marketing Associations Act which is designed to meet the requirements of farmers for the co-operative marketing of agricultural products. Likewise, extensive changes are to be expected in the province of Quebec where Le Conseil Superieur de la Cooperation (which is the provincial co-operative union) has been making a detailed study of the existing present legislation for the past two years. Representations have been made to the government and it is expected the new legislation will be forthcoming soon.

Again in the field of legislation all medical services co-operatives in Ontario have recently been placed under the jurisdiction of the Superintendent of Insurance for supervision and reporting.

During 1950 Canada's newest province, Newfoundland, organized a provincial co-operative union. A managing director of this new provincial organization has been appointed and plans are under way to merge this union with the Co-operative Union of Canada by 1952.

As at July 31st, 1950 Canada's three wheat pools reported 232,692 members with almost 10,000 new members added during the preceding crop year. The pools represent the largest marketing associations in the co-operative picture in Canada and have 1,887 country elevators with a capacity of over 108 million bushels. They own or operate nine terminal elevators with a capacity of 38 million bushels and through these facilities they handled almost 382 million bushels of grain in 1949-50. In addition they own five processing plants and four livestock yards. Total members' equity in assets is \$41 million and since 1924 the pools have paid back to their members over \$51 million. This item includes all cash payments returned to members since inception and includes patronage dividends and all other sums returned in cash whether from earnings or principal amounts which had been retained as loans from the members.

One other interesting and unique development during 1950 was the organization of the school divisions in Alberta into a regularly incorporated co-operative for the buying of school supplies and equipment. The majority of the 57 divisions have become members and the object is to mobilize the purchasing power of the school divisions and thus save money for the taxpayer by reducing costs through pooled orders and larger buying. This new co-operative has become a member of the Alberta Co-operative Wholesale which will purchase needed supplies for maintenance, operation and equipment direct from manufacturers.

Table 3. Volume of Business of Co-operatives in Canada by Provinces for the Year Ending July 31, 1950

Province	Marketing and Purchasing Co-operatives				Total Business			
	Sales of Products	Sales of Merchandise	Sales of Other Revenue	\$	Including Other Revenue	Including Other Revenue	Service Co-operatives	\$
British Columbia	50,311,727	15,550,800	66,501,202				531,088	
Alberta	140,961,913	19,166,732	161,695,167				1,430,125	
Saskatchewan	231,499,344	31,010,722	263,738,796				1,478,624	
Manitoba	74,246,649	13,619,334	88,388,516				188,626	
Ontario	135,568,254	42,634,320	179,031,708				1,878,177	
Quebec	71,539,064	50,420,191	122,074,066				1,744,530	
New Brunswick	5,588,358	5,078,504	10,700,698				2,441	
Nova Scotia	7,813,666	13,517,644	21,476,162				30,382	
Prince Edward Island	3,085,992	1,281,747	4,376,861				-	
Newfoundland	16,913	2,068,512	2,087,830				-	
Interprovincial	83,007,082	11,733,902	95,193,757				481,525	
Total	803,638,962	206,082,408	1,015,264,763				7,765,518	

Table 3.- Continued

Province	Fishermen's Co-operatives				Total Business			
	Sales of Fish and Fish Products	Sales of Fishermen's Supplies and Merchandise	Sales of Other Revenue	\$	Including Other Revenue	Including Other Revenue	Grand Total Business	\$
British Columbia	7,114,766	1,361,592	8,512,886				75,545,176	
Alberta	-	-	-				163,125,292	
Saskatchewan	9,846	807	11,209				265,228,629	
Manitoba	-	-	-				88,577,142	
Ontario	476,042	45,675	524,590				181,434,475	
Quebec	1,632,091	257,185	1,893,024				125,711,620	
New Brunswick	1,265,422	383,995	1,651,456				12,354,595	
Nova Scotia	2,679,382	555,710	3,251,781				24,758,325	
Prince Edward Island	205,321	37,311	244,281				4,621,142	
Newfoundland	453,072	264,678	717,750				2,805,580	
Interprovincial	-	-	-				95,675,282	
Total	13,835,942	2,906,953	16,806,977				1,039,837,258	

Co-operative Activity by Provinces 1950

Supervision and organization of co-operatives in Canada is carried on mainly by the provincial governments under whose jurisdiction comes the administration of all legislation pertaining specifically to co-operative associations. Thus it is interesting to rank co-operative activity on a provincial basis in order to assess the degree and extent to which co-operative organization has progressed.

The greatest number of co-operative associations in Canada is found in the province of Quebec and the remaining provinces follow in this order: Saskatchewan, Ontario, Alberta, Manitoba, British Columbia, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. There has been no change in this ranking compared to 1949 except that Prince Edward Island dropped below Newfoundland because of incomplete returns.

In membership, however, the ranking is quite different. Quebec, which leads in number of co-operatives dropped to fifth place in number of members indicating that many of the numerous Quebec co-operatives are small in membership. The provinces of western Canada with the heavy membership of the three wheat pools lead all provinces in number of members with Saskatchewan first, Alberta second and Manitoba third. Ontario, Quebec, British Columbia, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland follow in that order. There were no changes in ranking in 1950 compared to 1949.

Saskatchewan leads again in total assets in 1950 as in 1949, followed in second place by Quebec. In 1950, Alberta was in third place followed by British Columbia but in 1949 British Columbia was third and Alberta fourth. British Columbia ranks high in assets because of its large fishermen's and fruit co-operatives which require fairly extensive plant and equipment.

Saskatchewan reported the largest volume of business in both 1949 and 1950 followed by Alberta in 1949 and Ontario in 1950. In 1949 Ontario was third and moved to second place in 1950 while Alberta dropped to third position. The remaining provinces followed in this order in both 1949 and 1950: Quebec, Manitoba, British Columbia, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Marketing

Total value of farm products marketed co-operatively in Canada for the crop year ended July 31, 1950 amounted to \$803,638,962 which is an increase of \$20,345,737 over the same period in 1949 (table 5).

The increase in 1950 is considerably smaller than that reported in 1949 and is attributed to various factors in the general economic picture in agricultural marketing.

Main decreases in volume occurred in the marketing of dairy products and eggs and poultry. Substantial declines in egg prices occurred early in 1950 after the announcement of the discontinuance of the export contract for eggs with the United Kingdom. Production decreases in dairy products, especially butter, occurred in 1949 and 1950 and resulted in a decline of over \$7 million in the value of these products marketed by co-operatives.

Table 4. Growth of Marketing and Purchasing Co-operatives in Canada
1932 - 1950

Crop Year Ended	Associations	Total Business Including Other Revenue	Marketing	Purchasing
	No.	000 \$	000 \$	000 \$
1932	795	145,303.9	134,611.1	10,665.5
1933	686	115,849.9	106,804.2	8,779.1
1934	690	136,411.5	128,909.0	7,389.0
1935	697	130,384.9	120,853.6	9,241.8
1936	781	158,165.6	144,962.6	12,788.2
1937	1,024	173,927.1	157,031.4	16,363.9
1938	1,217	155,080.4	134,493.7	20,091.9
1939	1,332	201,659.9	180,747.5	20,400.0
1940	1,151	236,322.5	214,293.4	21,129.8
1941	1,395	242,158.3	215,030.4	24,895.4
1942	1,722	257,090.4	214,762.9	42,327.5
1943	1,650	352,785.6	295,499.3	55,689.1
1944	1,792	527,855.5	459,798.8	65,508.7
1945	1,824	585,650.1	500,481.6	81,360.9
1946	1,953	554,329.7	454,564.9	95,603.3
1947	2,095	712,583.2	578,638.2	127,001.5
1948	2,249	780,085.0	616,347.5	157,874.0
1949	2,378	982,232.0	783,293.2	191,804.6
1950	2,495	1,015,264.8	803,639.0	206,082.4

**Table 5. Farm Products Marketed, Merchandise and Supplies Handled
by Co-operative Business Organizations in Canada,
Crop Year Ended July 31, 1950**

	Associations <u>a/</u>	Value of Sales
	No.	\$
Marketing -		
Dairy products	641	134,580,357
Fruits and vegetables	195	46,250,620
Grain and seeds	116	383,608,336
Livestock	324	141,713,027
Eggs and poultry	377	28,408,057
Lumber and wood	32	1,615,860
Honey	10	1,626,271
Wool	10	1,519,639
Fur	12	659,056
Tobacco	4	54,868,427
Maple products	3	2,025,735
Miscellaneous	63	6,763,577
Total, Marketing	1,361	803,638,962
Merchandising -		
Food products	857	56,535,475
Clothing and home furnishings	579	8,403,312
Petroleum products and auto accessories	697	23,854,741
Feed, fertilizer and spray material	1,140	74,910,650
Machinery and equipment	493	9,460,542
Coal, wood and building material	695	14,577,076
Miscellaneous	981	18,340,612
Total, Merchandising	1,874	206,082,408
Grand Total	2,495	1,009,721,370

a/ Duplication exists in this column since some associations market produce as well as handle supplies. Some market more than one product and some handle many of the supplies listed.

However, all provinces were not affected (table 6) and only Alberta and Manitoba reported decreases in total volume, no doubt due to the fact that large egg and poultry and dairy co-operatives operate in these provinces. Volume of sales was up in Saskatchewan and Ontario; this offset the declines reported by Manitoba and Alberta. Declines were also registered by New Brunswick and Prince Edward Island but these were the result of incomplete reporting rather than an actual decline in marketing volume.

Among the commodities, substantially increased sales were reported by co-operatives handling grains, livestock and fruits and vegetables (table 5).

Total value of farm products marketed by co-operatives in 1950 showed a small increase of 2.5 per cent over the 1949 total while at the same time the cash farm income from the same products declined 4.5 per cent. This would indicate the farmers' marketing co-operatives were successful in bettering their position. Cash income from dairy products at the wholesale or manufacturers' level declined by 13.5 per cent during the year and this, of course, was reflected in the volume of business done by co-operative dairy associations. The decrease in sales reported by these associations was 6.2 per cent which is an indication that the co-operatives managed to maintain their position in the industry despite the general decrease in volume and sales.

Cash income from sales of eggs and poultry was down 3.3 per cent but sales by co-operatives handling these products declined by 19.4 per cent. In this group, therefore, the egg and poultry co-operatives lost ground heavily. Since the decrease in cash farm income from these sources was mainly the result of lower egg prices, it would seem that more co-operatives are handling eggs than poultry since poultry prices generally held up along with fairly high prices for other meats.

In the livestock group cash farm income was up by 3.9 per cent while the co-operatives handling livestock increased their volume by 4.6 showing an improved position. In the important grain, hay and seeds group cash farm income declined by 6.2 per cent while the grain marketing co-operatives increased their volume by 3.2 per cent. It should be noted that the decline in cash farm income as above is calculated on straight returns and does not include participation payments.

Fruit and vegetable co-operatives improved their position appreciably in 1950.

During 1950 it is estimated that Canadian co-operatives handled 35.2 per cent of farm produce entering into commercial trade compared with 32.9 per cent in 1949. Omitting grain and seed marketing wherein the co-operatives are a major factor, there was yet 25 per cent of all farm produce handled by the co-operatives.

Percentages handled by other commodities during 1950 with the percentage handled during 1949 shown in brackets are as follows: Dairy products, 27.9 (25.5); livestock, 18.7 (18.6); poultry and eggs, 15.3 (18.4); wool, 76.4 (79.7); grains, 60.6 (55.1); fruits and vegetables, 35.8 (27.5); maple products, 28.2 (26.8); tobacco, 99.4 (89.9) and honey, 33.0 (12.1).

It is worthwhile to note that in the last decade the dollar value of co-operative marketing has increased as a percentage of cash farm income from

Table 6. Co-operative Marketing and Purchasing Associations, by Provinces
Crop Year Ended July 31, 1950

Province	Associations	Shareholders or Members	Sales of Products	Sales of Merchandise	Total Business Including Other Revenue
:	No.	No.	\$	\$	\$
British Columbia	135	49,049	50,311,727	15,550,800	66,501,202
Alberta	215	222,955	140,961,913	19,166,732	161,695,167
Saskatchewan	563	403,499	231,499,344	31,010,722	263,738,796
Manitoba	151	163,616	74,246,649	13,619,334	88,388,516
Ontario	396	95,736	135,568,254	42,634,320	179,031,708
Quebec	776	89,365	71,539,064	50,420,191	122,074,066
New Brunswick	70	12,246	5,588,358	5,078,504	10,700,698
Nova Scotia	123	22,536	7,813,666	13,517,644	21,476,162
Prince Edward Island	26	8,293	3,085,992	1,281,747	4,376,861
Newfoundland	33	5,419	16,913	2,068,512	2,087,830
Interprovincial	7	100,412	83,007,082	11,733,902	95,193,757
Total	2,495	1,173,126	803,638,962	206,082,408	1,015,264,763

23.5 per cent in 1951 to 35.2 per cent in 1950. This increase is reflected in each major commodity group as follows:

	<u>1941</u>	<u>1950</u>
Dairy products	16.1	27.9
Fruits and vegetables	17.3	35.8
Grains and seeds	49.7	60.6
Livestock	12.3	18.7
Poultry and eggs	11.1	15.3

Merchandising

Co-operative purchasing or merchandising constitutes a relatively small proportion of total Canadian co-operative business. The proportion, however, has increased steadily in recent years from 5.7 per cent in the early 1930's to over 20 per cent in 1950. Purchasing activity by co-operatives, however, has increased more rapidly than co-operative marketing. Pre-war figures indicate marketing volume was 10 times greater than purchasing but since 1947 co-operative marketing has been only 4 times greater and this proportion was maintained in 1950.

Sales during 1950 of merchandise and supplies were valued at \$206,082,408 compared with sales of \$191,804,630 in 1949. This represents an increase of 7.7 per cent or over \$14 million.

This increase occurred mainly in groceries and coal and wood and building material although other commodities also showed gains. More co-operatives expanded their activities, especially the number handling farm machinery, coal and groceries. There was an appreciable drop in total sales of feed and fertilizer because a more exact analysis of total sales by commodities was available from large numbers of co-operatives in the province of Quebec.

All provinces reported increases in volume with the exception of New Brunswick, Prince Edward Island and Newfoundland (table 6). In the case of the first two mentioned incomplete reporting was the cause of the reported decline while in Newfoundland the decrease probably reflects the lower prices of these goods as a result of Confederation. While Ontario reported a substantial increase, again it is a result of inadequate reporting which resulted in duplication of sales from wholesale to retail. Manitoba and Saskatchewan led all provinces with increased sales of \$3 million and \$2 million respectively.

Retailing - Retailing of goods and supplies in Canada is carried on by all co-operatives engaged in purchasing and merchandising but not always in quarters which would be classified as a retail store. For example, bulk oil stations delivering gas and oil at retail to farmers would not commonly be designated as a store nor would a feed mill which handles feed, fertilizer, spray materials and coal. From reports submitted it is not always possible to classify those associations which would normally be regarded as "stores" but it has been assumed that all those selling groceries and food products could be classed as such. There are some exceptions, of course, such as bakeries and consumer-owned dairies but these have been eliminated from the tabulation in table 7.

Table 7. Retail Sales Volume of Co-operative Stores in Canada by Commodities and Provinces, 1949-50

Province	Associations			Food Products			Clothing			Petroleum Products		
	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales
			\$			\$			\$			\$
British Columbia	53	53	6,800,076	33		968,836	13		96,977			
Alberta	116	116	7,129,055	92		2,238,234	64		4,817,610			
Saskatchewan	219	219	10,101,844	190		1,973,467	178		5,866,702			
Manitoba	69	69	2,919,329	48		771,268	29		2,120,607			
Ontario	58	58	6,221,773	32		379,424	17		1,181,849			
Quebec	157	157	9,760,614	69		740,619	29		154,198			
New Brunswick	54	54	1,958,177	29		144,295	23		230,674			
Nova Scotia	90	90	7,580,534	51		823,437	22		252,412			
Prince Edward Island	9	9	465,694	6		37,847	4		27,689			
Newfoundland	41	41	1,915,746	41		417,444	-		-			
Total	866	866	54,852,842	591		8,494,871	379		14,748,718			

Table 7.- Continued

Province	Feed and Fertilizer			Machinery			Coal and Wood			Miscellaneous a/		
	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales
			\$			\$			\$			\$
British Columbia	21	21	3,276,584	9		84,422	10		89,823	30		1,057,674
Alberta	65	65	523,530	35		325,693	37		582,600	68		1,372,767
Saskatchewan	112	112	518,966	87		543,205	173		2,110,623	201		2,712,689
Manitoba	20	20	154,677	11		193,258	15		422,509	30		592,548
Ontario	40	40	3,701,090	20		508,709	22		626,504	17		2,254,741
Quebec	93	93	5,337,771	29		399,754	32		348,217	64		716,560
New Brunswick	34	34	1,398,910	8		93,666	14		151,848	12		187,555
Nova Scotia	60	60	2,087,690	20		91,722	25		132,096	25		209,277
Prince Edward Island	6	6	295,253	3		27,938	4		21,879	4		21,021
Newfoundland	-	-	-	-		-	-		-	-		-
Total	451	451	17,294,471	222		2,268,367	332		4,486,099	451		9,124,832

a/ Mainly shelf hardware, electrical equipment and supplies.

It is estimated that over \$111 million of food, clothing gas and oil, feed and fertilizer, machinery, coal and wood and other miscellaneous products were sold by co-operative retail stores in Canada in 1950. Due, no doubt, to rising prices all these groups showed increases over the figures for 1949 but in addition there were 97 additional associations reporting.

It should be noted especially that the figures in table 7 have been extracted from the gross figures for sales of merchandise in table 3.

Wholesaling- Co-operatives in Canada have for many years owned their own wholesales but during the last 10 years this aspect of co-operative business has made tremendous progress. In addition to the older established provincial wholesales, smaller organizations serving concentrated regions have been organized and both British Columbia and Prince Edward Island have organized province-wide organizations more recently.

Eleven wholesales reported on their operations during 1950. Total volume of business reported was \$128,455,066 of which \$74 million was farm products marketed and \$54 million was commodities sold to local co-operatives. These latter, who comprise the membership of the wholesales, numbered 1,847 and to serve these locals the wholesales operated manufacturing plants and warehouses at 25 points.

Livestock and dairy products were the main products marketed by the wholesales during 1950. These are handled mainly by the groups in Eastern Canada since in the Western provinces the wholesales do not engage in marketing farm products. Total sales of \$74 million noted above in 1950 were \$11 million greater than the total reported in 1949.

Total sales of merchandise during 1950 were \$54,527,606 which is an increase of \$4.5 million over the sales for 1949. Feed and fertilizer sales were \$24.8 million in 1950 showing only a slight increase over 1949 but sales of petroleum products were up by \$2 million to a total of \$11,136,578. Sales of groceries and food products also increased by \$500,000.

The eleven wholesales reported their total assets at \$22.9 million and members' total equity was \$11.2 million while liabilities to other than members amounted to \$11.6 million.

Interprovincial Co-operatives Ltd. is the co-ordinating wholesale with headquarters at Winnipeg. The regional wholesales from coast to coast are members of this federation along with the English and Scottish Co-operative Wholesale Societies. The purpose of this national federation of co-operative wholesales is one of co-ordination and service. It buys on behalf of its members and has also entered into manufacturing through the operation of a bag factory in Montreal.

This organization is also engaged to some extent in international trade, both export and import. For use in the manufacture of bags it has brought in jute from India and the United Kingdom. Tea, paint brushes, engines, oil filters, tools and water systems are other imported items mainly from the United States and Great Britain. On the export side this organization handles the output of the Saskatchewan Wheat Pool flour mill at Saskatoon. During 1950 total value of exports of flour and linseed oil amounted to \$2 1/4 million.

Table 8. Financial Structure of Co-operative Marketing and Purchasing Associations, by Provinces
Crop Year Ended July 31, 1950

Province	Total Assets	Value of Plant	Liabilities to the Public	Liabilities to Members	Net Worth	Members' Equity
	\$	\$	\$	\$	\$	
British Columbia	26,064,924	10,491,669	15,381,399	4,826,099	5,857,426	10,683,525
Alberta	34,167,320	10,427,842	13,355,208	12,523,809	8,288,303	20,812,112
Saskatchewan	72,100,137	29,157,052	28,153,602	32,194,432	11,752,103	43,946,535
Manitoba	19,376,999	7,998,423	5,679,171	9,392,002	4,305,826	13,697,828
Ontario	22,601,061	9,522,446	10,076,855	4,635,726	7,888,480	12,524,206
Quebec	43,410,199	17,959,118	21,768,825	4,449,690	17,191,684	21,641,374
New Brunswick	2,854,530	1,100,406	1,270,655	274,327	1,309,548	1,583,875
Nova Scotia	7,277,745	2,942,200	3,266,522	678,036	3,333,187	4,011,223
Prince Edward Island	726,955	224,963	293,879	78,740	354,336	433,076
Newfoundland	935,599	245,418	299,144	23,560	612,895	636,455
Interprovincial	24,963,308	8,445,245	11,547,392	2,581,082	10,834,834	13,415,916
Total	254,478,777	98,514,782	111,092,652	71,657,503	71,728,622	143,386,125

Financial Structure

The combined balance sheet of all marketing and purchasing co-operatives in Canada for 1950 is presented in table 8. Total assets amounted to \$254,478,777 which is an increase of \$17.5 million over 1949. General liabilities to the public in 1950 totalled \$111 million which shows an increase of \$4.5 million. The proportion of liabilities to assets in 1950 was 43.7 per cent indicating an improvement in the position in 1949 when the proportion was 45 per cent.

Members' equity, therefore, constitutes 56.3 per cent of total assets and is represented in table 8 by the combined total of liabilities to members and the net worth. Total members' equity in 1950 was \$143.4 million, an increase of \$13 million over the similar total for 1949. Members' equity generally should be greater than liabilities to the public and the picture for the whole country is favourable but the ratio in British Columbia is less than 50 per cent. Expressed in another way the figures indicate that for every dollar of capital secured from outside sources the members in Canada's marketing and purchasing co-operatives have invested \$1.29. In British Columbia members have put up 69 cents for every dollar raised from other sources.

Working capital, which is the amount calculated by subtracting plant value of \$98.5 million from the total members' equity, amounted to \$44.8 million in 1950. Working capital thus increased by \$4.3 million over the amount available in 1949. Plant value in 1950 increased by \$8.7 million and the proportion of working capital to members' equity was 32 per cent in 1950 which was no change from 1949 indicating that while net worth increased in 1950 the distribution of the increase to plant and working capital was equitable. In other words there was no tendency to shift working capital into fixed assets or vice versa. In recent years it has been noticed that working capital has decreased as plant values were increased. This trend, however, has stopped by larger member loans and patronage dividends retained as allocated surpluses on the co-operative plan of revolving members' capital.

Service Co-operatives

Due to the co-operation of the Quebec Department of Agriculture larger numbers of service type co-operatives reported during 1950. This classification includes hospital and medical services, housing, taxis and transportation, funeral homes, restaurants, electricity co-operatives and many others. With increased coverage in Quebec the total number of service co-operatives reporting increased from 156 in 1949 to 352 in 1950. New service co-operatives reporting from Quebec included the unique lumbermen's groups where skilled bush workers pool their labour and skill and in contract with the company turn out a stipulated amount of wood for processing mainly into newsprint. In addition, students' co-operatives, water supply associations, electricity and housing are included.

Total revenue reported by service co-operatives in 1950 was \$7.8 million and the total membership was 147,966.

Alberta reported 72 service co-operatives mainly concerned with rural electrification. These groups are organized under the Co-operative Associations Act and are usually made up of a group of farmers who are in an area accessible

Table 9. Statistical Summary of Service Co-operatives in Canada
Year Ending July 31, 1950

Province	Associations	Members	Total Assets	Value of Plant
	No.	No.	\$	\$
British Columbia	19	7,868	561,837	273,353
Alberta	72	7,687	1,869,328	1,473,153
Saskatchewan	57	23,486	1,198,357	313,765
Manitoba	12	2,321	231,722	1,166,644
Ontario	63	40,092	2,219,762	1,295,701
Quebec	118	28,923	8,357,161	6,931,980
New Brunswick	3	122	21,100	17,550
Nova Scotia	5	302	50,649	9,341
Newfoundland	2	74	248,094	202,403
Interprovincial	1	37,091	672,836	-
Total	352	147,966	15,430,846	10,683,890

Table 9. - Continued

Province	Liabilities to Public	Liabilities to Members	Members' Equity	Revenue
	\$	\$	\$	\$
British Columbia	250,546	44,506	311,291	531,088
Alberta	1,015,414	28,566	853,914	1,430,125
Saskatchewan	182,151	342,696	1,016,206	1,478,624
Manitoba	51,548	6,587	180,174	188,626
Ontario	1,340,554	217,900	879,208	1,878,177
Quebec	6,297,644	295,462	2,059,517	1,744,530
New Brunswick	14,772	33	6,328	2,441
Nova Scotia	29,031	-	21,618	30,382
Newfoundland	22,045	80,143	226,049	-
Interprovincial	584,620	53,788	88,216	481,525
Total	9,788,325	1,069,681	5,642,521	7,765,518

to a power line. They enter into an agreement with a power company to build the distribution system and usually 50 per cent of the cost of construction is provided by the co-operative and the remainder is borrowed from a lending institution with a guarantee from the Provincial Treasurer. The company then agrees to supply electricity to members at two cents per kilowatt hour on a 10-year contract plus certain service and depreciation charges. The co-operative takes the power only to the farmer's yard, the wiring of the home and farm buildings is not included.

Alberta farms are being rapidly electrified under this plan. Officials in that province estimate that about 4,000 farms per year will be supplied with power. Since 1947 over 10,000 farms have been electrified and \$6 million has been spent to date in the construction of lines under this plan.

Fishermen's Co-operatives

Nearly 17,000 Canadian fishermen sold \$13.8 million of fish and fish products co-operatively in 1950 (table 10). This membership is scattered through 104 associations in every province except Alberta and Manitoba. Co-operatives of fishermen do exist in these provinces but no reports were received in 1950.

British Columbia is Canada's leading province in the co-operative marketing of fish. On the Pacific Coast seven associations include 9,148 members and do a total volume of business of over \$8 million which is 50 per cent of the total done by all. In addition to their marketing activities, British Columbia fishermen also purchase household goods, gas and oil and fishing supplies co-operatively to a value of \$1.4 million.

Total assets of all fishermen's co-operatives amounted to \$11.2 million of which \$4.8 million is members' equity which indicates that large amounts of capital are being secured from sources other than members. Most provinces have a good proportion of members' equity in total assets but in British Columbia the members' share of total assets is only 39 per cent.

Efforts to organize fishermen into co-operatives are being made in Saskatchewan and the recently organized fishermen's co-operatives in Ontario are making satisfactory progress. The Co-operative Union of Canada has a continuing committee set up to study the problems of fishermen's co-ops with the aim of integrating and co-ordinating their mutual aims and objectives.

Insurance

Co-operative companies have been in the field of fire insurance for many years in Canada and there are 406 farmers' mutuals providing this service. The total amount of insurance at risk in 1949 were \$2 1/4 billion. Net losses paid in 1949 amounted to \$3,664,084 (table 11).

Canada's major co-operative life insurance company with headquarters at Regina reported insurance in force at December 31st, of \$30½ million. New insurance written in 1950 totalled more than \$6 million. This company now operates in every province except Quebec and Newfoundland and it is reported that operations will extend to these provinces soon.

The Pacific Coast Fishermen's Mutual Marine Insurance Company is a co-operative company owned and controlled by co-operative fishermen in British Columbia which has been operating since 1945. At December 31st, 1950 it reported over \$2½ million of insurance in force covering over 400 fishing vessels.

In Ontario favourable progress is being made by the Co-operators' Insurance Association which writes automobile insurance, provides bonding service and also insures farmers' livestock in transit.

Table 10. Statistical Summary of Fishermen's Co-operatives in Canada 1949-50

Province	Associations	Members	Value of Fish Sold	Value of Fishing Supplies and Merchandise Sold	Total Business Including Other Revenue
	No.	No.	\$	\$	\$
British Columbia	7	9,148	7,114,766	1,361,592	8,512,886
Saskatchewan	1	29	9,846	807	11,209
Ontario	3	42	476,042	45,675	524,590
Quebec	38	3,205	1,632,091	257,185	1,893,024
New Brunswick	18	1,856	1,265,422	383,995	1,651,456
Nova Scotia	24	1,557	2,679,382	555,710	3,251,781
Prince Edward Island	5	132	205,321	37,311	244,281
Newfoundland	8	828	453,072	264,678	717,750
Total	104	16,797	13,835,942	2,906,953	16,806,977

Table 10.- Continued

Province	Total Assets	Liabilities to the Public	Liabilities to Members	Members' Equity
	\$	\$	\$	\$
British Columbia	8,059,260	4,862,106	1,847,553	3,197,154
Saskatchewan	1,081	100	-	981
Ontario	59,378	35,448	20,954	23,930
Quebec	655,140	369,894	35,758	285,246
New Brunswick	863,464	382,544	82,184	480,920
Nova Scotia	1,164,415	551,461	268,574	612,954
Prince Edward Island	45,187	3,802	4,853	41,385
Newfoundland	372,719	210,404	10,000	162,315
Total	11,220,644	6,415,759	2,269,876	4,804,885

Table 11. Farmers' Mutual Fire Insurance Companies in Canada

1949

Province	Number of Companies	Unassessed Premium Note Residue	Net Admitted Assets	Total Liabilities	Net Amount of Insurance at Risk	Net Losses Paid in 1949
		\$	\$	\$	\$	\$
British Columbia	1	177,717	104,588	34,967	9,929,767	20,094
Saskatchewan	a/ 4	62,934	1,844,076	986,835	117,863,483	217,264
Ontario	66	23,493,075	9,854,649	2,281,387	973,864,359	1,487,734
Quebec - County	9	2,457,576	140,729	50,404	36,544,296	95,744
- Municipality	76	-	176,180	13,955	35,599,058	37,678
- Parish	237	9,294,244	819,749	82,078	201,876,071	402,869
New Brunswick	5	-	214,830	105,910	23,457,822	55,080
Nova Scotia	5	149,837	743,205	208,141	35,124,744	67,558
Prince Edward Island	1	-	b/ 292,538	6,731	27,633,532	62,709
Dominion	2	1,484,058	13,109,023	8,070,556	790,043,669	1,217,354
Total	406	37,119,441	27,389,567	11,840,964	2,251,936,801	3,664,084

a/ Includes one company which does business in the four western provinces.

b/ Includes unassessed premium note residue.

Table 12. Statistical Summary of Co-operative Marketing and Purchasing Associations in Canada
Ten Years, 1941 to 1950

Year Ended July 31	Associ- ations	Places of Business	Shareholders or Members	Patrons	Sales of Farm Products	Sales of Supplies	Total Business Including Other Revenue
:	No.	No.	No.	No.	\$	\$	\$
1941	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598
1944	1,792	4,534	690,967	719,080	459,798,798	65,508,771	527,855,540
1945	1,824	4,441	739,804	738,345	500,481,627	81,360,855	585,650,066
1946	1,953	4,488	926,863	922,928	454,564,927	95,603,311	554,329,652
1947	2,095	5,084	982,990	1,036,498	578,638,214	127,001,488	712,583,246
1948	2,249	5,423	1,127,229	1,195,372	616,347,477	157,874,045	780,084,955
1949	2,378	5,667	1,144,698	1,209,520	783,293,225	191,804,630	982,232,002
1950	2,495	5,761	1,173,126	1,223,582	803,638,962	206,082,408	1,015,264,763

Table 12.- Continued

Year Ended July 31	Total Assets	Value of Plant	Liabilities to the Public	Members' Equity
:	\$	\$	\$	\$
1941	145,658,904	38,567,084	92,222,947	53,435,957
1942	128,004,893	37,597,916	69,964,822	58,040,071
1943	186,634,839	36,866,861	124,264,085	62,370,754
1944	203,047,911	40,664,827	130,556,373	72,491,538
1945	171,128,184	43,048,326	87,354,033	83,774,151
1946	163,467,434	46,775,158	71,012,260	92,455,174
1947	168,195,387	53,027,212	71,403,750	96,791,637
1948	201,603,705	75,009,655	89,381,360	112,222,345
1949	236,962,924	89,832,908	106,599,688	130,363,236
1950	254,478,777	98,514,782	111,092,652	143,386,125

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EIGHTEENTH ANNUAL SUMMARY

CO-OPERATION IN CANADA

BY J. E. O'MEARA

1948/49



ISSUED JULY, 1950

CANADA DEPARTMENT OF AGRICULTURE
THE RT. HON. JAMES G. GARDINER MINISTER

1949

CO-OPERATION IN CANADA

1949

EIGHTEENTH ANNUAL SUMMARY



Compiled by the Economics Division, Marketing Service,
Canada Department of Agriculture,
Ottawa, Canada.

Published by Authority of
the Rt. Hon. James G. Gardiner, Minister of Agriculture,
July, 1950.

E R R A T U M

Page 18, table 11, "Farmers' Mutual Fire Insurance Companies in Canada, 1948", last column heading "Net Losses Paid in 1947" should read "Net Losses Paid in 1948".

INTRODUCTION

The Economics Division, Marketing Service, Canada Department of Agriculture herewith reports on the extent of co-operative business in Canada for the crop year ending July 31, 1949. This is the Eighteenth Annual Summary of this nature published by the Division since the first report which was made on the business of the year 1932.

Since the data in this report are provided voluntarily by the co-operative associations there is not complete coverage of all. However, all major co-operatives are included and although only 65 per cent of all known co-operatives have reported on their operations for 1949 it is estimated that this number accounts for 90 per cent of the total business.

The author wishes to acknowledge the able assistance of Mr. Fernand Guerard in the preparation of this report.

Managers and accountants of co-operatives who completed the return forms aided greatly by their co-operation and we wish also to acknowledge the invaluable assistance of provincial government officials connected with the supervision of co-operatives in Nova Scotia, New Brunswick, Quebec, Manitoba, Saskatchewan and Alberta. Newfoundland is included this year for the first time and we are indebted to the Provincial Registrar of Co-operative Societies for the reports on co-operatives operating in the new province.

In British Columbia, Manitoba and the Maritimes, arrangements are that the audit departments of the provincial wholesales aid in forwarding prompt and accurate reports. Also the secretaries of the provincial co-operative unions have been most helpful in urging their members to complete our return forms promptly and accurately.

CO-OPERATION IN CANADA

1949

For the business year ending within the twelve months preceding July 31, 1949 the Economics Division received 2,637 reports from all types of co-operatives in Canada (table 1). Membership reported by these associations totalled 1,219,712 (table 2) and the total volume of business, including other revenue, amounted to \$1,001,437,990 (table 3). Again co-operatives in Canada have reported substantial increases in all three items over the totals reported in 1948.

The most significant item, of course, is the increase in volume of business which this year exceeded one billion dollars for the first time since records have been kept. The increase over the total reported in 1948 amounted to over \$200,000,000. The marketing co-operatives reported a volume increase of approximately \$167 millions in 1949 and the purchasing co-operatives \$34 millions. Increases reported by other types were insignificant.

Among the marketing and purchasing co-operatives there was an increase of 128 associations or about 5 per cent. Fishermen's co-operatives reporting increased by sixteen by reason mainly of the inclusion of Newfoundland and an increase in numbers in Prince Edward Island. Service co-operatives reporting increased by 88 which is mainly the result of increased coverage in Ontario and Quebec.

Membership in 1949 showed an increase of 60,668 over the total reported in 1948. The greatest increase occurred in the membership of service co-operatives as a result of more accurate and larger numbers of this type reporting.

Co-operative Developments in Canada 1949

During 1949 the Manitoba and Saskatchewan Wheat pools marked twenty-five years of service in marketing grain for the farmers of Western Canada. The Alberta Wheat Pool had celebrated its twenty-fifth anniversary in 1948.

The record of the three pools over the past twenty-five years is sufficient in itself to prove their claim to a place of distinction in the field of co-operative marketing. From a modest beginning in the early 20's they now handle almost 35 per cent of the annual grain crop of the Canadian west. This crop is grown by over 184,000 farmers and is handled in 1,893 country elevators with a capacity of 99 million bushels. They have eight terminal elevators with a capacity of over 30 million bushels.

Since their organization in 1924 they have paid back to their members in cash patronage dividends a total of \$26½ millions. Members' equity in assets as at July 31, 1949 amounted to \$36,872,141.

Table 1. Co-operatives in Canada, by Provinces, 1949

Province	: Marketing : and : Purchasing : Co-oper- : atives : No.	: Fisher- men's Co-oper- atives No.	: Service Co-oper- atives No.	: Total No.
British Columbia	121	7	16	144
Alberta	206	1	30	237
Saskatchewan	565	-	18	583
Manitoba	145	-	9	154
Ontario	382	-	52	434
Quebec	713	38	30	781
New Brunswick	63	16	1	80
Nova Scotia	121	22	-	143
Prince Edward Island	28	12	-	40
Newfoundland	28	7	-	35
Interprovincial	6	-	-	6
Total	2,378	103	156	2,637

Table 2. Membership^{1/} of Co-operatives in Canada, by Provinces, 1949

Province	: Marketing : and : Purchasing : Co-oper- : atives : No.	: Fisher- men's Co-oper- atives No.	: Service Co-oper- atives No.	: Total No.
British Columbia	44,687	8,539	4,464	57,690
Alberta	217,737	25	6,517	224,279
Saskatchewan	401,391	-	5,327	406,718
Manitoba	162,253	-	1,471	163,724
Ontario	82,946	-	26,425	109,371
Quebec	82,848	3,205	14,496	100,549
New Brunswick	13,187	1,699	14	14,900
Nova Scotia	22,090	1,191	-	23,280
Prince Edward Island	8,305	624	-	8,929
Newfoundland	5,074	1,018	-	6,092
Interprovincial	a/ 104,180	-	-	104,180
Total	1,144,698	16,300	58,714	1,219,712

^{1/} Membership figures are subject to duplication since persons are often members of more than one association.

a/ Both co-operative associations and individual.

By reason of having made an initial payment of \$1.00 per bushel on the crop of 1929 the pools were caught in the decline of world wheat values. Money for this initial payment had been borrowed from the banks and in 1930 the pools found themselves with a deficit of \$22,324,000. Threatened with extinction their respective provincial governments came to the rescue and issued bonds to the banks. Each government covered the deficiency of its own provincial pool and in return took bonds from the pool concerned. These bonds were repayable in twenty years and bore interest at $4\frac{1}{2}$ per cent. In 1947, the Alberta pool completed payment of its debt to the Alberta government and in 1949 the Saskatchewan and Manitoba pools also liquidated their indebtedness on this account. During the twenty years a staggering amount of principal and interest has been paid by the pools and it is a tribute to their management, their organization and their membership that not one payment was ever defaulted or deferred.

Recognizing the recent rapid growth of co-operatives in Canada provincial governments have expanded their staffs and services in order adequately to service and supervise all co-operatives within their jurisdiction. In March, 1949, the Department of Agriculture in Manitoba announced the formation of a Directorate of Co-operative Services within the department which would include the offices of registrar of co-operatives and supervisor of credit unions.

Upon the entry of Newfoundland into confederation on March 31, 1949 it was announced that one of the portfolios of the new provincial cabinet would be the Department of Fisheries and Co-operatives. Eight out of ten provincial governments now have officials directly responsible for administering co-operative legislation and supervising co-operative activities. In Prince Edward Island, however, this task is performed by the P. E. I. Co-operative Union Ltd. aided by a grant from the province and the secretary of the co-operative union is required to report officially to the government each year.

On June 1, 1949 Part XII of the Companies Act of Ontario relating to co-operative corporations became effective. The former Part XII -- considered inadequate by many co-operative leaders in the province -- was repealed and a new and more acceptable section was passed into the statutes. The main feature of the new legislation provides for the purchase for redemption of all or part of the shares held by a shareholder upon payment of an agreed upon sum not exceeding the par value of the shares. Shares purchased for redemption may not be re-issued.

Power is also given to the co-operative to pass by-laws providing that the declared patronage return of each shareholder shall, in whole or in part, be applied to the purchase of a stated number of shares or remain as a loan to the co-operative at a rate of interest not exceeding six per cent.

The first fishermen's co-operative on the Great Lakes was organized in February 1949. Patterned after the organization of the United Maritime Fishermen their product will be marketed mainly in the United States. This

Table 3. Volume of Business of Co-operatives in Canada by Provinces for the Year Ending July 31, 1949

Province	Marketing and Purchasing Co-operatives				Service Co-operatives	
	Sales of Products	Sales of Merchandise	Total Business Including Other Revenue			
	\$	\$	\$			\$
British Columbia	48,112,125	15,281,890	64,489,196			324,480
Alberta	150,280,837	18,427,239	169,830,874			462,758
Saskatchewan	220,344,382	29,041,544	251,835,938			253,017
Manitoba	82,250,420	10,682,494	93,475,238			59,361
Ontario	114,320,331	37,120,567	152,312,180			1,317,448
Quebec	70,229,271	49,616,904	120,045,602			51,443
New Brunswick	7,785,502	6,629,156	14,438,955			7,616
Nova Scotia	6,601,734	12,575,084	19,372,338			-
Prince Edward Island	3,319,155	1,617,130	4,947,034			-
Newfoundland	16,196	2,279,832	2,306,028			-
Interprovincial	80,033,272	8,532,790	89,178,619			-
Total	783,293,225	191,804,630	982,232,002			2,476,123

Table 3. - Continued

Province	Fishermen's Co-operatives				Grand Total Business Including Other Revenue	
	Sales of Fish and Fish Products	Fishermen's Supplies and Merchandise	Total Business Including Other Revenue			
	\$	\$	\$			\$
British Columbia	7,880,750	1,224,739	9,117,580			73,931,256
Alberta	3,392	51	3,602			170,297,234
Saskatchewan	-	-	-			252,088,955
Manitoba	-	-	-			93,534,599
Ontario	-	-	-			153,629,628
Quebec	1,428,241	315,144	1,754,907			121,851,952
New Brunswick	1,251,494	348,404	1,602,062			16,048,633
Nova Scotia	2,467,382	326,675	2,800,889			22,173,227
Prince Edward Island	502,669	112,348	615,756			5,562,890
Newfoundland	484,821	350,150	834,969			3,140,997
Interprovincial	-	-	-			89,178,619
Total	14,018,749	2,677,511	16,729,765			1,001,437,990

organization was incorporated under the name of The Ontario Fishermen's Co-operative and its headquarters is at Port Dover, Ontario, on Lake Erie.

In November 1949, the Department of Fisheries and Co-operatives in Newfoundland convened a conference of all co-operative leaders in the new province in order to plan future organization and extension work. Over one hundred people gathered at Grand Falls for the conference which was formally opened by Premier Smallwood. As a result of the conference, working arrangements have been completed between Maritime Co-operative Services at Moncton and United Maritime Fishermen at Halifax to supply local Newfoundland co-operatives and to aid in the marketing of fish. First steps were also taken towards the organization of a provincial co-operative union for the province which would affiliated to the Co-operative Union of Canada.

This latter Union, which comprises eight provincial unions, celebrated its fortieth anniversary during 1949. Its statistical report for 1949 showed the total number of affiliated co-operatives to be 909. Total membership of these associations amounted to 635,088 and the total volume of business transacted -- both in marketing and purchasing -- amounted to well over one-half billion dollars.

In Quebec, Le Conseil Superieur de la Cooperation completed ten years of service to the co-operatives of that province in 1949. This organization is similar in aims and objects to the other provincial co-operative unions and since 1948 has been giving intensive study to revision of presently-existing co-operative legislation in Quebec.

Marketing

For the crop year ended July 31, 1949 the sales value of farm products marketed by co-operatives in Canada amounted to \$783,293,225 which was an increase of \$166,945,748 over the total reported for the same period in 1948 (table 5).

All farm products with the exception of wool and fruits and vegetables shared in the general increase. The largest increases were reported by the dairy products, livestock and grain co-operatives. Livestock marketing co-operatives reported an increase in sales value of nearly 40 per cent over the 1948 figure due mainly to the lifting of restrictions on beef cattle exports. Wool sales were down slightly because of liquidation of flocks and this also helped increase volume and value of livestock sales. The decrease in fruit and vegetables sales was minor.

Sales value of grains increased by over \$81,000,000. This increase is due to a rise in price for western wheat as well as increased handlings by the three pools and the United Grain Growers. The latter organization and the Manitoba Pool Elevators increased their facilities at country points during the year and generally increased their physical plant for handling an appreciable increase in volume. All four grain marketing co-operatives in western Canada handled 50 per cent of the total volume delivered in the three western provinces during 1949.

Table 4. Growth of Marketing and Purchasing Co-operatives in Canada
1932 - 1949

Crop Year Ended	Associ- ations	Total Business Including Other Revenue	Marketing	Purchasing
	No.	000 \$	000 \$	000 \$
1932	795	145,303.9	134,611.1	10,665.5
1933	686	115,849.9	106,804.2	8,779.1
1934	690	136,411.5	128,909.0	7,389.0
1935	697	130,384.9	120,853.6	9,241.8
1936	781	158,165.6	144,962.6	12,788.2
1937	1,024	173,927.1	157,031.4	16,363.9
1938	1,217	155,080.4	134,493.7	20,091.9
1939	1,332	201,659.9	180,747.5	20,400.0
1940	1,151	236,322.5	214,293.4	21,129.8
1941	1,395	242,158.3	215,030.4	25,895.4
1942	1,722	257,090.4	214,762.9	42,327.5
1943	1,650	352,785.6	295,499.3	55,689.1
1944	1,792	527,855.5	459,798.8	65,508.7
1945	1,824	585,650.1	500,481.6	81,360.9
1946	1,953	554,329.7	454,564.9	95,603.3
1947	2,095	712,583.2	578,638.2	127,001.5
1948	2,249	780,085.0	616,347.5	157,874.0
1949	2,378	982,232.0	783,293.2	191,804.6

Table 5. Farm Products Marketed, Merchandise and Supplies Handled
by Co-operative Business Organizations in Canada,
Crop Year Ended July 31, 1949

	Associations ^{1/}	Value of Sales
	No.	\$
Marketing -		
Dairy products	650	141,923,763
Fruits and vegetables	204	39,613,846
Grain and seed	101	371,798,952
Livestock	332	135,446,480
Eggs and poultry	376	35,211,391
Lumber and wood	11	251,553
Honey	8	872,711
Wool	20	1,704,565
Fur	7	1,643,999
Tobacco	5	47,227,822
Maple products	1	1,656,271
Miscellaneous	36	5,941,872
Total, Marketing	1,223	783,293,225
Merchandising -		
Food products	799	49,630,745
Clothing and home furnishings	531	8,562,576
Petroleum products and auto accessories	743	21,867,690
Feed, fertilizer and spray material	1,118	77,612,273
Machinery and equipment	370	8,448,948
Coal, wood and building material	611	11,341,165
Miscellaneous	861	14,341,233
Total, Merchandising	1,821	191,804,630
Grand Total	2,378	975,097,855

^{1/} Duplication exists in this column since some associations market produce as well as handle supplies. Some market more than one product and some handle many of the supplies listed.

In 1948-49 the value of farm products marketed co-operatively increased by 26.9 per cent over 1947-48 while at the same time and over the same period it was calculated that cash farm income from the same products increased by 27.5 per cent. This indicated that the sales of farm co-operatives have barely kept pace with the increase in cash returns. Among some groups, however, the co-operatives improved their position. Dairy products co-operatives made a substantial gain by increasing their sales by 29.2 per cent while the published figure of total value of manufactured dairy products was up by only 15.5 per cent. Grain co-operatives made a slight advance and the egg and poultry associations held their own. Co-operatives marketing live stock fell off since the cash return to farmers on sales of stock increased by 48 per cent while sales through co-operatives advanced by only 40 per cent. There was a decline in the cash return from sales of fruits and vegetables which the co-operatives shared. Co-operative sales in this group were down almost five per cent.

Considered in relation to the sales values, it has been calculated that during 1948-49 co-operatives handled 32.9 per cent of the main farm products which entered into commercial channels of trade which is an increase of .8 per cent over last year. For the various products concerned similar percentages are as follows with the previous year shown in brackets: Dairy products, 25.5 (22.6); livestock, 18.6 (18.5); poultry and eggs, 18.4 (18.6); wool, 79.7 (68.1); grains, 55.1 (56.2); fruits and vegetables, 27.5 (27.4); maple products, 26.8 (25.1); tobacco, 89.9 (99.0); honey, 12.1 (6.0).

Each province reported an increase in co-operative sales of farm products. Ranked by volume of sales Saskatchewan was first, Alberta second and Ontario third (table 6). Ranked by percentage increase New Brunswick was first, Manitoba second and Alberta third. This is the second time in recent years that the volume of business done by co-operatives in New Brunswick has increased substantially and by a greater percentage than in any other province.

Merchandising

Sales of merchandise reported for the year 1948-49 amounted to \$191,804,630 which is an increase of \$33,390,585 over the figure reported for the year previous (table 5).

The increases occurred mainly in sales of farm machinery, clothing and home furnishings, food products and coal and wood. Feed and fertilizer sales, which increased by 16 per cent over last year, make up the largest single item handled by merchandising co-operatives for a total of over \$77 millions.

In 1940 and years previous sales of farm supplies and consumer goods were small compared with the volume reported by the marketing co-operatives. In 1940 co-operative marketing sales were 10 times greater. In succeeding years this ratio has been reduced until in 1949 marketing volume was only 4 times greater than the reported merchandise sales

All provinces shared in the reported sales increase except Manitoba

Table 6. Co-operative Marketing and Purchasing Associations, by Provinces
Crop Year Ended July 31, 1949

Province	Associ- ations	Shareholders or Members	Sales of Products	Sales of Merchandise	Total Business Including Other Revenue
	No.	\$	\$	\$	\$
British Columbia	121	44,687	48,112,125	15,281,890	64,489,196
Alberta	206	217,737	150,280,837	18,427,239	169,830,874
Saskatchewan	565	401,391	220,344,382	29,041,544	251,835,938
Manitoba	145	162,253	82,250,420	10,682,494	93,475,238
Ontario	382	82,946	114,320,331	37,120,567	152,312,180
Quebec	713	82,848	70,229,271	49,616,904	120,045,602
New Brunswick	63	13,187	7,785,502	6,629,156	14,438,955
Nova Scotia	121	22,090	6,601,734	12,575,084	19,372,338
Prince Edward Island	28	8,305	3,319,155	1,617,130	4,947,034
Newfoundland	28	5,074	16,196	2,279,832	2,306,028
Interprovincial	6	104,180	80,033,272	8,532,790	89,178,619
Total	2,378	1,144,698	783,293,225	191,804,630	982,232,002

but in that province the decrease is the result of more accurate reporting which resulted in the elimination of duplication of sales between the wholesale and the locals (table 6). Alberta reported a sizable increase in sales which is attributable to increased coverage and reporting by associations in that province. Generally, however, it can be observed that the volume of the supply co-operatives should continue to increase especially since many marketing co-operatives are expanding into the supply business or new farm supply co-operatives are being organized by members of marketing co-operatives.

Retailing.- Statistics on co-operative retail stores are difficult to accumulate since not all co-operative merchandising is carried on in premises which might be generally regarded as store. However, an attempt has been made and the figures in table 7 are extracted from the general merchandising figures based on the assumption that the products handled are usually sold in stores as such. Sales of food products in 769 co-operative retail stores amounted to \$48.9 millions during 1949 (table 7). Clothing and home furnishings were handled by 532 outlets. Volume in this item was small compared to feed and fertilizer sales of over \$15 millions through 317 stores.

The largest number of retail outlets was reported from Saskatchewan with Quebec and Alberta in second place.

Wholesaling.- Eleven co-operatives mainly engaged in wholesaling farm supplies and consumer goods reported during 1949. These eleven wholesales had 24 places of business and were owned, through federation, by 1,829 local co-operatives. Total assets amounted to \$20,354,250. Plant value or fixed assets less allowance for depreciation amounted to \$5,010,973 which is an increase of one million dollars over 1948. Liabilities to members increased by \$2.75 millions in 1949 over 1948 and liabilities to the public increased also by \$1.7 millions. Members' equity in the wholesales increased during 1949 by over one million dollars.

Total sales of farm products through the wholesales during 1949 amounted to \$63,282,375 most of which was livestock and dairy products. This volume shows an increase of \$11 millions over reported sales in 1948.

Total sales of merchandise in 1948-49 amounted to \$50,142,277 which is an increase of \$8 millions over such sales made in 1947-48. Feed and fertilizer sales by wholesales in 1949 amounted to \$24,144,293 and petroleum products sales were \$9,295,063. Food products to the value of \$4,498,758 were distributed.

Co-operative wholesaling in Canada is not yet fully developed to serve the local co-operatives since sales figures indicate that the local associations are together merchandising far greater quantities than the wholesales. Even allowing for differences in wholesale and retail prices it is obvious that local co-operatives are as yet obtaining a large proportion of their supplies and goods from other sources than their own wholesales.

Table 7. Retail Sales Volume of Co-operative Stores in Canada by Commodities and Provinces, 1948-49

Province	Associations			Food Products			Clothing			Petroleum Products		
	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales
			\$			\$			\$			\$
British Columbia	51	51	5,800,435		27	956,845		9	102,318			
Alberta	114	114	7,120,815		81	1,995,210		56	4,429,530			
Saskatchewan	199	199	8,484,201		181	2,101,161		116	5,275,444			
Manitoba	66	66	3,039,277		43	793,258		27	1,466,437			
Ontario	59	59	6,016,362		25	346,573		21	408,611			
Quebec	113	113	6,892,771		75	1,018,694		22	116,203			
New Brunswick	49	49	1,964,502		29	283,490		22	180,368			
Nova Scotia	81	81	7,143,133		34	405,912		14	138,406			
Prince Edward Island	9	9	515,839		9	84,470		5	29,704			
Newfoundland	28	28	1,928,725		28	285,890		27	37,968			
Total	769	769	48,906,060		532	8,271,503		319	12,184,989			

Table - Continued

Province	Feed and Fertilizer			Machinery			Coal and Wood			Miscellaneous		
	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales	No.	Stores	Sales
			\$			\$			\$			\$
British Columbia	19	3,090,068		7	114,296		5	18,253		28	877,176	
Alberta	48	383,944		30	880,544		30	425,271		63	1,062,747	
Saskatchewan	61	357,241		75	472,976		136	1,942,930		185	2,356,697	
Manitoba	19	113,574		5	84,604		11	285,831		25	93,986	
Ontario	40	4,666,180		21	417,034		25	786,262		21	464,491	
Quebec	49	2,803,641		17	172,269		12	371,106		28	431,886	
New Brunswick	28	1,482,947		13	48,075		20	296,814		14	178,156	
Nova Scotia	44	1,854,734		19	87,524		24	128,453		24	112,465	
Prince Edward Island	9	303,322		3	17,889		3	28,989		7	71,266	
Newfoundland	-	-		-	-		-	-		27	37,971	
Total	317	15,055,651		190	2,295,211		266	4,283,909		422	5,686,841	

1/ Mainly shelf hardware, electrical equipment and supplies.

The significant items are as follows:

	Sold by Local Co-ops.	Sold by Co-op. Wholesales to Local Co-ops.	Wholesales to Locals %
Feed and Fertilizers	\$ 77,612,273	\$ 24,144,293	32.1
Petroleum Products	21,867,690	9,295,063	42.2
Food Products	49,630,745	4,498,758	9.7

Canadian co-operative wholesales are joined together into Interprovincial Co-operatives Limited which serves as a central agency to co-ordinate purchases of member regional wholesales. This nation-wide organization comprises eight regional wholesales and in addition the English and Scottish co-operative wholesales are members. These member wholesales represent over 1,800 local associations and a membership of well over 300,000. They employ nearly 2,000 people and operate 24 production plants comprising feed plants, coal mines, an oil refinery, canning plants, abattoirs, a box factory and others

Interprovincial Co-operatives Limited owns and operates a bag factory in Montreal and regional members order requirements for their various plants from this source. Hardware and groceries are other important items handled by Interprovincial.

Producer and consumer co-operation in Canada is indicated by the handling of flour by Interprovincial. The flour is produced in the Saskatchewan Wheat Pool Mill at Saskatoon and sold by Interprovincial to the regionals and eventually to the local associations and the consumer. Moderate success, following a period of extensive organization throughout the country, marked the early efforts. Interprovincial is also charged with the responsibility for export sales of the products of this mill.

Interprovincial is also venturing into the import business in a small way and is buying jute, tea and paint brushes from the United Kingdom, jute from India, and engines, water systems, oil filters and tools from the United States.

Financial Structure

A consolidated balance sheet for all marketing and purchasing co-operatives was prepared and total assets in 1949 amounted to \$236,962,924 (table 8). A few significant items from this balance sheet for 1948-49 compared with 1947-48 are as follows:



PRINCE EDWARD ISLAND
MORELL, P.E.I.



NIAGARA PENINSULA, ONTARIO.
VIRGIL, ONT.



CAPE BRETON ISLAND, N.S.
SYDNEY MINES, N.S.



BAIE STE.-ANNE, NEW BRUNSWICK.



FREDERICTON, N.B.
CANADIAN CO-OPERATIVE LTD.



ONTARIO OWEN SOUND, ONT.



SOCIÉTÉ COOPÉRATIVE AGRICOLE DE CHARLESBOURG
QUEBEC CITY.



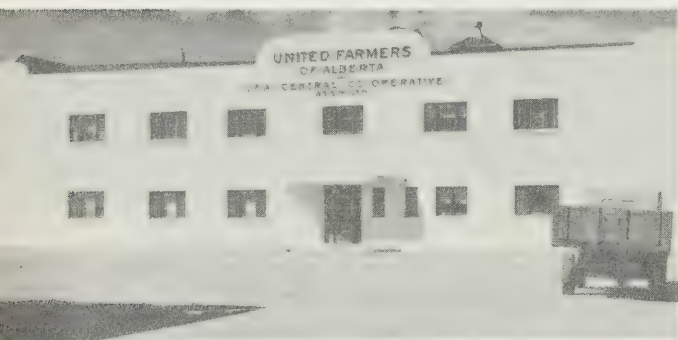
ALBERTA
EDMONTON CO-OP. LTD. EDMONTON, ALTA.



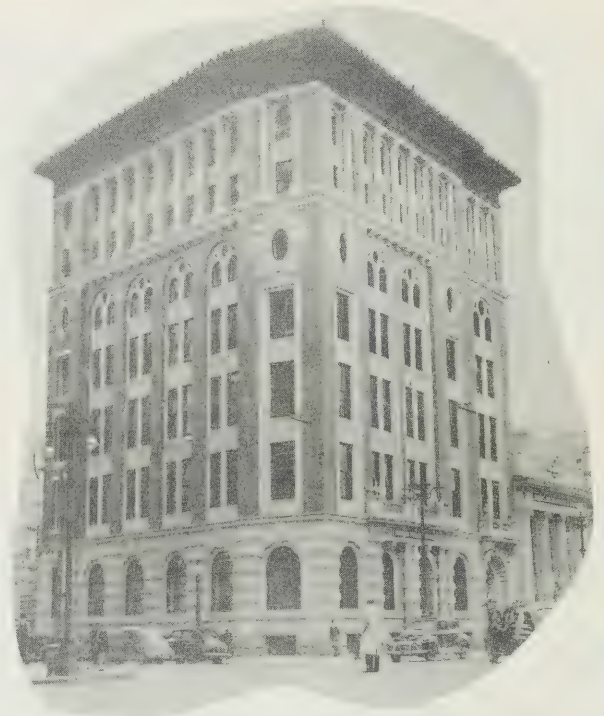
CO-OPERATIVE SERVICE STATION, REGINA, SASK.



ALBERTA EDMONTON, ALTA.



ALBERTA CALGARY, ALTA.



WHEAT POOL BUILDING, WINNIPEG, MANITOBA.



BRITISH COLUMBIA PENTICTON, B.C.



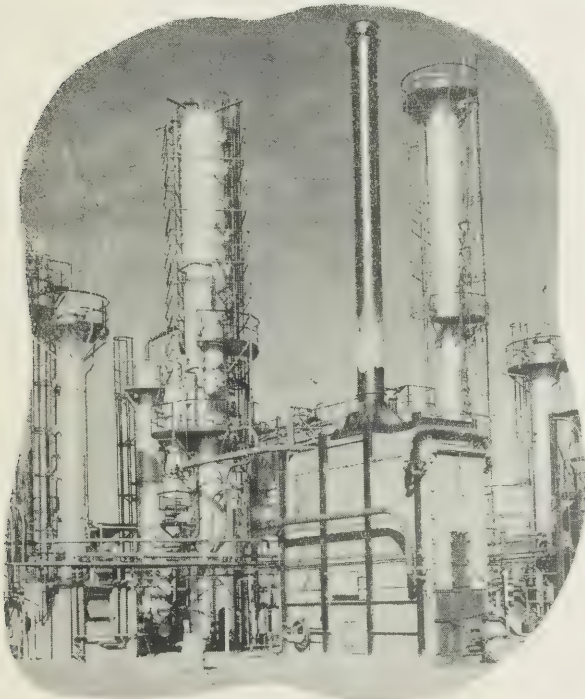
CRESTON, B.C.



BRANDON, MANITOBA.



CANADIAN CO-OP. IMPLEMENTS LIMITED,
WINNIPEG, MANITOBA.



SASKATCHEWAN FEDERATED CO-OP. OIL REFINERY,
REGINA, SASK.



ONTARIO
ONTARIO FISHERMEN'S CO-OP. PORT DOVER, ONT.



COOPERATIVE FEDEREE ABATTOIR, QUEBEC CITY



ONTARIO
ELGIN CO-OP. SERVICES, ST. THOMAS, ONT.



WHEAT POOL FLOUR MILL, SASKATOON, SASK.

Table 8. Financial Structure of Co-operative Marketing and Purchasing Associations, by Provinces
Crop Year Ended July 31, 1949

Province	Total Assets	Value of Plant	Liabilities to the Public	Liabilities to Members	Net Worth	Members' Equity
	\$	\$	\$	\$	\$	\$
British Columbia	24,637,511	9,884,312	14,914,703	3,004,608	6,718,200	9,722,808
Alberta	29,098,737	9,074,248	12,209,637	11,268,989	5,620,011	16,889,100
Saskatchewan	70,237,408	26,907,192	26,810,696	32,835,188	10,591,524	43,426,712
Manitoba	20,908,973	7,601,978	8,379,928	6,780,207	5,748,838	12,529,045
Ontario	18,649,051	7,158,737	8,230,372	4,259,787	6,158,892	10,418,679
Quebec	40,650,498	16,556,187	20,989,139	3,909,092	15,752,267	19,661,359
New Brunswick	2,687,102	970,257	1,337,995	40,713	1,308,394	1,349,107
Nova Scotia	7,398,321	3,053,311	3,407,960	612,350	3,378,011	3,990,361
Prince Edward Island	814,029	258,165	339,271	102,596	372,162	474,758
Newfoundland	972,473	188,655	225,264	47,790	699,419	747,209
Interprovincial	20,908,821	8,179,866	9,754,723	1,317,822	9,836,276	11,154,098
Total	236,962,924	89,832,908	106,599,688	64,179,142	66,184,094	130,363,236

	1949	1948
Total Assets	\$236,962,924	\$201,603,705
Liabilities	<u>106,599,688</u>	<u>89,381,360</u>
Excess, Assets Over Liabilities	<u>130,363,236</u>	<u>112,222,345</u>
Represented by:		
Liabilities to Members	64,179,142	55,091,558
Net Worth	<u>66,184,094</u>	<u>57,130,787</u>
Members' Equity	<u>130,363,236</u>	<u>112,222,345</u>
Plant Value	89,832,908	75,009,655
Working Capital	40,530,328	37,212,690

Assets increased by \$35.3 millions in 1949 over 1948 while general liabilities to the public increased by \$17.2 millions. Thus, the proportion of liabilities to assets which was 44 per cent in 1948 now stands at 45 per cent.

Members' equity, which is the excess of assets over liabilities, increased by \$28.2 millions. Members' equity represents 55 per cent of assets indicating that co-operative members are in financial control of their own organizations. Expressed as a ratio of members' equity to debt or liabilities, the figures show that for every dollar of capital loaned by creditors there is \$1.22 of member-owned capital which is very favourable since a rough standard ratio of worth to debt is 1 to 1.

Working capital increased in 1949 by \$3.3 millions over 1948. Plant value also increased by over \$14 millions. The drain on working capital to finance plant expansion which has been noticeable over recent years has apparently been stopped and is probably being replaced by direct members' contributions in the form of member loans and patronage dividends retained as allocated surpluses on a revolving capital plan.

Service Co-operatives

Increased numbers of reports from service types of co-operatives were received in 1949 due mainly to increased coverage in Alberta and Quebec and Ontario. More and more co-operatives of this type are being organized. Electricity co-operatives in Quebec and Alberta are numerous and helping to extend the benefits of electric power to rural areas. Ontario's 42 rural medical services co-operatives are providing prepaid hospital plans on a co-operative basis to thousands of Ontario farmers and their families.

Membership in 156 service type co-operatives in 1949 amounted to 58,714 and total revenue from services rendered was \$2.5 millions (table 9).

Table 9. Financial Structure of Service Co-operatives in Canada
Year Ending July 31, 1949

Province	Associations	Members	Total Assets	Value of Plant
	No.	No.	\$	\$
British Columbia	16	4,464	452,671	227,460
Alberta	30	6,517	574,817	125,283
Saskatchewan	18	5,327	263,928	173,475
Manitoba	9	1,471	80,904	46,753
Ontario	52	26,425	1,383,424	733,661
Quebec	30	14,496	1,218,371	105,055
New Brunswick	1	14	15,188	10,069
Total	156	58,714	3,989,303	1,421,756

Table 9 - Continued

Province	Liabilities to the Public	Liabilities to Members	Members' Equity	Revenue
	\$	\$	\$	\$
British Columbia	160,374	62,524	292,297	324,480
Alberta	332,493	20,315	242,324	462,758
Saskatchewan	87,898	71,324	176,030	253,017
Manitoba	22,997	11,442	57,907	59,361
Ontario	696,585	192,438	686,839	1,317,448
Quebec	101,339	-	1,117,032	51,443
New Brunswick	10,217	-	4,971	7,616
Total	1,411,903	358,043	2,577,400	2,476,123

Table 10. Statistical Summary of Fishermen's Co-operatives in Canada
1948-49

Province	Associations	Members	Value of Fish Sold	Value of Fishing Supplies and Merchandise Sold	Total Business Including Other Revenue
	No.	No.	\$	\$	\$
British Columbia	7	8,539	7,880,750	1,224,739	9,117,580
Alberta	1	25	3,392	51	3,602
Quebec	38	3,205	1,428,241	315,144	1,754,907
New Brunswick	16	1,699	1,251,494	348,404	1,602,062
Nova Scotia	22	1,190	2,467,382	326,675	2,800,889
Prince Edward Island	12	624	502,669	112,348	615,756
Newfoundland	7	1,018	484,821	350,150	834,969
Total	103	16,300	14,018,749	2,677,511	16,729,765

Table - Continued					
Province	Total Assets	Liabilities to the Public	Liabilities to Members	Members' Equity	
	\$	\$	\$	\$	
British Columbia	6,826,942	2,170,316	2,149,658	4,656,626	
Alberta	3,100	5,613	-	a/ 2,513	
Quebec	713,983	430,221	48,231	283,762	
New Brunswick	800,860	393,361	47,624	407,499	
Nova Scotia	788,878	326,270	236,693	462,608	
Prince Edward Island	123,476	27,487	12,881	95,989	
Newfoundland	251,319	94,506	-	156,813	
Total	9,508,558	3,447,774	2,495,087	6,060,784	

a/ Deficit.

One of the most unique co-operatives classed as a service co-operative is in Ontario which is designed to provide a restful vacation camp for farmer members and their families. The co-operative owns 85 acres of land on the shores of Bass Lake near Orillia and is clearing the land and building cottages and it is planned that the camp will become a haven for rural people in the area in search of rest and relaxation in the form of picnics, fishing, swimming, boating etc.

Fishermen's Co-operatives

Over 100 fishermen's co-operative associations reported in 1949 (table 10). Total membership was 16,300 and the total business was \$16,729,765. These figures are greater than last year by reason of the inclusion of seven associations in Newfoundland and ten others reporting for the first time.

The greatest number of fishermen's co-operatives is found in the Maritime provinces and Quebec but the largest volume by far was reported by seven co-operatives in British Columbia which reported over \$9 million of business in 1949. This figure is 54.5 per cent of the total business reported by all other provinces.

Increased interest in co-operative marketing of fish by inland lake fishermen is evident from incorporation of the Ontario Fishermen's Co-operative on Lake Erie and the Inland Lake Fishermen's Co-operative on Lake Winnipeg. In Saskatchewan a school to train co-operative leaders is proposed among residents of the northern part of the province where there are about 200 lakes with possibilities for commercial fishing. One small fishermen's co-operative -- Livelong Fishermen's Co-operative Limited -- was incorporated in Saskatchewan in 1949.

Insurance

The number of organizations classified as farmers' mutual fire insurance companies active in Canada in 1948 was 410 (table 11). The net admitted assets amounted to \$24,453,274 and assets in the form of un-assessed premium note residue totalled \$33,883,924. The net amount of insurance at risk was over \$2 billions and losses paid in 1948 amounted to \$5,552,594.

Co-operative Life Insurance Company with headquarters in Regina, Saskatchewan now operates in six provinces and is contemplating expansion into a seventh soon. It reported coverage on the lives of 38,000 Canadians in 1949 and the amount of insurance in force was \$25,800,000 -- an increase of \$8 millions over the amount in force in 1948.

Another life insurance company operated on co-operative principles is the Assurance-vie Desjardins with headquarters at Levis, Quebec which has been incorporated for some years but only started actual writing of business late in 1949.

Table 11. Farmers' Mutual Fire Insurance Companies in Canada

1948

Province	Number of Companies	Unassessed Premium Note Residue	Net Admitted Assets	Total Liabilities	Net Amount of Insurance at Risk	Net Losses Paid in 1947
		\$	\$	\$	\$	\$
British Columbia	1	163,077	102,260	31,637	8,153,836	14,711
Saskatchewan	a/ 5	142,284	1,639,518	817,529	105,605,047	283,508
Ontario	66	21,087,497	9,379,915	2,196,283	882,147,274	1,674,871
Quebec - County	9	2,222,137	129,570	31,173	32,988,221	65,244
- Municipality	77	-	150,291	20,051	34,472,694	54,064
- Parish	239	8,466,430	716,323	61,151	186,256,615	300,454
New Brunswick	5	300,918	184,053	86,738	19,047,192	27,329
Nova Scotia	5	131,461	709,896	197,690	31,989,303	105,984
Prince Edward Island	1	-	b/ 287,764	9,957	25,391,233	47,119
Dominion	2	1,470,120	11,153,684	6,508,324	718,395,171	2,979,310
Total	410	33,883,924	24,453,274	9,960,533	2,044,446,586	5,552,594

a/ Includes one company which does business in the four western provinces.

b/ Includes unassessed premium note residue.

Table 12. Statistical Summary of Co-operative Marketing and Purchasing Associations in Canada
Ten Years, 1940 to 1949

Year Ended July 31	Associ- ations	Places of Business	Shareholders or Members	Patrons	Sales of Farm Products	Sales of Supplies	Total Business Including Other Revenue
:	No.	No.	No.	No.	\$	\$	\$
1940	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427
1943	1,650	4,406	585,826	608,680	295,499,274	55,689,141	352,785,598
1944	1,792	4,534	690,967	719,080	459,798,798	65,508,771	527,855,540
1945	1,824	4,441	739,804	738,345	500,481,627	81,360,855	585,650,066
1946	1,953	4,488	926,863	922,928	454,564,927	95,603,311	554,329,652
1947	2,095	5,084	982,990	1,036,498	578,638,214	127,001,488	712,583,246
1948	2,249	5,423	1,127,229	1,195,372	616,347,477	157,874,045	780,084,955
1949	2,378	5,667	1,144,698	1,209,520	783,293,225	191,804,630	982,232,002

Table 12. - Continued

Year Ended July 31	Total Assets	Value of Plant	Liabilities to the Public	Members' Equity
:	\$	\$	\$	\$
1940	102,685,109	38,265,055	48,424,694	54,260,415
1941	145,658,904	38,567,084	92,222,947	53,435,957
1942	128,004,893	37,597,916	69,964,822	58,040,071
1943	186,634,839	36,866,861	124,264,085	62,370,754
1944	203,047,911	40,664,827	130,556,373	72,491,538
1945	171,128,184	43,048,326	87,354,033	83,774,151
1946	163,467,434	46,775,158	71,012,260	92,455,174
1947	168,195,387	53,027,212	71,403,750	96,791,637
1948	201,603,705	75,009,655	89,381,360	112,222,345
1949	236,962,924	89,832,908	106,599,688	130,363,236

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CO-OPERATION IN CANADA

1941 / 1942

A. E. RICHARDS and
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MARKETING SERVICE—ECONOMICS DIVISION

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CO-OPERATION IN CANADA 1942

A. E. RICHARDS AND LUCIENNE LALONDE

The United Nations Conference on Food and Agriculture held at Hot Springs, Virginia, May 16 to June 3, 1943, at which forty-four nations were represented, agreed unanimously that all countries study the possibility of the further establishment of producer and consumer co-operative societies.

The full text of Resolution XVII, Co-operative Movements, reads,—

WHEREAS:

1. The co-operative movement has been of very great importance in many countries, both to urban and rural populations, especially in agricultural districts where farming is based on small units and in urban areas of low-income families;
2. The proper functioning of co-operative societies may facilitate adjustments of agricultural production and distribution, as members have confidence in the recommendations and guidance of their own co-operative organizations, which they now operate in the interest of their members and of society in general;
3. The democratic control and educational programs, which are features of the co-operative movement, can play a vital part in the training of good democratic citizens, and assist in inducing a sound conception of economic matters;

The United Nations Conference on Food and Agriculture recommends,

1. That, in order to make it possible for people to help themselves in lowering costs of production and costs of distribution and marketing:
 - (a) All countries study the possibility of the further establishment of producer and consumer co-operative societies in order to render necessary production, marketing, purchasing, finance, and other services;
 - (b) Each nation examine its laws, regulations, and institutions to determine if legal or institutional obstacles to co-operative development exist, in order to make desirable adjustments;
 - (c) Full information as to the present development of co-operatives in different countries be made available through the permanent organization.

Fortunately Canada, when called upon, is in a position to provide the permanent organization of the Conference with fairly complete information on the development of co-operatives in this country. Every province in Canada has legislation providing for the organization and establishment of producer and consumer societies and has an office of the Government administering the legislation and giving guidance to new and existing co-operatives. The Economics Division of the Department of Agriculture was entrusted with bringing together all available information on co-operative development in Canada and preparing an annual summary. With the fullest co-operation of provincial governments and co-operative organizations throughout Canada, the Economics Division is at this time ready to present its eleventh annual summary.

Co-operative Business Associations.—Reports in the year 1942 have established a record in co-operative activity in Canada. For the first time in the past eleven years reported membership has exceeded 500,000 and total business has passed the 250 million dollar mark. Reserves and surplus which reached a high point of \$46 million and an improved working capital position indicate that expansion of co-operatives has been accompanied by a strengthening of their whole financial structure.

In order to increase effectiveness, sales agencies have been formed on a regional basis or on a Dominion-wide commodity basis, as the Canadian

Co-operative Wool Growers, Limited, and the Canadian National Silver Fox Breeders' Association. Wholesale societies are operating in most of the provinces, consolidating the buying power of the local associations and augmenting the benefits to be obtained from quantity buying. The United Farmers of Ontario, Limited, and the Coopérative Fédérée de Québec combine the functions of sales agency and wholesale buying agency for their affiliated local associations.

TABLE 1.—SUMMARY OF ANNUAL STATEMENTS OF NUMBERS, MEMBERSHIP AND BUSINESS OF CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, 1932 to 1942¹

Year ended July 31	Associations	Places of business	Share- holders or members	Patrons	Sales of farm products	Sales of supplies	Total business including other revenue
	No.	No.	No.	No.	\$	\$	\$
1932.....	795	3,501	379,687	417,000	134,611,154	10,665,503	145,303,954
1933.....	686	3,057	342,369	376,000	106,804,186	8,779,115	115,849,894
1934.....	690	3,223	345,024	379,740	128,909,035	7,389,034	136,411,483
1935.....	697	3,301	341,020	378,730	117,783,560	7,991,755	126,064,891
1936.....	781	3,186	366,885	406,321	144,962,609	12,788,192	158,165,565
1937.....	1,024	3,987	396,918	451,231	157,031,405	16,363,966	173,927,117
1938.....	1,217	4,125	435,529	462,937	134,493,746	20,091,893	155,080,435
1939.....	1,332	3,791	445,742	486,589	180,747,471	20,400,008	201,659,984
1940.....	1,151	3,657	450,453	462,296	214,293,359	21,129,822	236,322,466
1941.....	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305
1942.....	1,722	4,291	561,314	620,034	214,762,980	42,327,447	257,090,427 ²

¹Co-operative stores included 1942 for all provinces except in the province of Quebec.

²Does not include other income.

TABLE 2.—SUMMARY OF ANNUAL BALANCE SHEETS AND FINANCIAL CONDITION OF CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, 1932 to 1942¹

Year ended July 31	Total assets	Value of plant	General liabilities	Paid-up share capital	Reserves and surplus	Working ² capital	Net worth in per cent. of total assets
	\$	\$	\$	\$	\$	\$	\$
1932.....	70,226,288	45,607,366	22,072,231	8,570,488	37,805,137	2,546,691	66.0
1933.....	90,003,261	42,520,970	43,005,593	8,224,016	38,773,652	4,476,698	52.2
1934.....	104,350,702	40,432,859	56,046,004	8,722,451	39,590,050	7,871,839	46.3
1935.....	105,183,565	38,850,488	55,306,671	8,933,425	40,943,469	11,026,406	47.4
1936.....	85,751,901	35,289,468	34,665,210	8,954,135	42,132,556	15,797,223	59.6
1937.....	87,938,453	36,338,952	36,685,625	9,265,747	41,987,081	14,913,876	58.3
1938.....	83,140,697	36,569,984	33,423,607	9,265,391	40,451,699	13,147,106	59.8
1939.....	86,240,783	37,751,641	32,973,321	9,685,537	43,581,925	15,515,821	61.8
1940.....	102,685,109	38,265,055	48,424,694	10,155,221	44,105,194	15,995,360	52.8
1941.....	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7
1942.....	128,004,893	37,597,916	69,964,822	12,220,249	45,819,822	20,442,155	45.3

¹Co-operative stores included in year 1942 for all provinces except in the province of Quebec.

²Working capital, as used in this table, is the excess of assets less value of plant over general liabilities.

In Canada early expansion of co-operative activity took place most rapidly and to the greatest degree in the marketing of farm products. Presumably this field offered the greatest opportunity to the farmer to effect savings and to provide needed services. However, in recent years, with the establishment of co-operative wholesales in nearly every province, the purchasing of farm supplies and household needs on a co-operative plan has shown a marked increase.

This year, for the first time since the annual summary has been published the business of urban retail co-operative stores is included under sales of supplies. This, in part, accounts for the large increase in this item over 1941.

Due to the light grain crop in Western Canada in 1941 and restricted marketings, sales of grain by the grain co-operatives amounted to \$87 million for the year ending July 31, 1942, in comparison with a total of \$139 million for

the year previous. The drop was more than offset by increases in the volume of marketings of dairy products, live stock, fruits and vegetables and poultry. Sales of this group of products increased from \$65 million in 1941 to \$102 million in 1942 or an increase of 57 per cent.

Some Canadian farmers market the entire output of their farms on the co-operative plan. A farmer may deliver his grain to a co-operative elevator, live stock to a livestock shipping association and milk to a co-operative dairy.

TABLE 3.—PRODUCTS MARKETING, MERCHANDISE AND SUPPLIES HANDLED BY CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, CROP YEAR ENDED JULY 31, 1942 ¹

	Associa- tions	Value of sales
	No.	\$
Marketing—		
Dairy products.....	443	39,218,446
Fruits and vegetables.....	193	15,431,804
Grain and seed.....	114	87,013,500
Live stock.....	321	40,419,386
Poultry.....	199	7,192,128
Honey.....	5	726,529
Maple products.....	7	1,137,980
Tobacco.....	9	21,242,760
Wool.....	7	1,367,060
Fur.....	2	704,935
Lumber and wood.....	10	118,948
Miscellaneous.....	10	189,504
Total, Marketing.....		214,762,980
Merchandising—		
Food products.....	558	9,183,723
Clothing and home furnishings.....	180	1,371,542
Petroleum products and auto accessories.....	561	7,239,512
Feed, fertilizer or spray material.....	834	15,826,570
Machinery and equipment.....	164	1,289,803
Coal, wood and building material.....	427	2,930,525
Miscellaneous or not specified.....	191	4,485,772
Total, Merchandising.....		42,327,447
Grand Total.....	1,722	257,090,427

¹ Statistics of co-operative stores in the Province of Quebec not included.

He may also purchase a large proportion of his farm supplies and household necessities from a co-operative store, for tractor fuel and gasoline he goes to his nearest co-operative oil station. This duplication must be kept in mind in interpreting the total co-operative membership figures for Canada of approximately 500,000. A useful measure of co-operative activity on a regional basis is obtained by dividing the total amount of co-operative business for an area by the number of farms which it contains as reported in the last census. On this basis for the crop year 1941-42, British Columbia led all provinces with average marketings of \$491 per farm, Manitoba was in second place with \$462 per farm, Alberta \$331, and Saskatchewan \$322. The average for Canada as a whole was \$293 per farm. During the past eleven years, farm products marketed co-operatively, in Saskatchewan have averaged \$361 annually per occupied farm. British Columbia ranked second with \$310, Alberta was third with \$302, and Manitoba stood in fourth place with \$242 of co-operative business per farm. The annual average for all of Canada during the eleven years 1931 to 1942 was \$217 per farm.

The grain growers are the most completely organized of the commodity co-operative marketing groups. Approximately 40 per cent of the grain received at country elevators in Canada during the crop year 1941 was handled by co-operative agencies. Co-operative dairy plants accounted for 25 per cent of the total output of manufactured dairy products and fruit and vegetable

TABLE 4.—CO-OPERATIVE BUSINESS ORGANIZATIONS BY PROVINCES, CROP YEAR ENDED JULY 31, 1942

Province	Asso- ciations	Share- holders or members	Sales of products	Sales of merchandise	Total business
	No.	No.	\$	\$	\$
Prince Edward Island.....	24	11,148	1,995,165	355,265	2,350,430
Nova Scotia.....	131	15,794	2,414,186	4,200,274	6,614,460
New Brunswick.....	29	7,376	1,702,618	734,509	2,437,127
Quebec ¹	409	33,827	27,948,844	9,037,509	36,986,353
Ontario.....	264	48,411	44,284,534	7,043,705	51,328,239
Manitoba.....	106	63,643	26,817,144	2,576,302	29,393,446
Saskatchewan.....	514	210,567	44,610,966	8,500,785	53,111,751
Alberta.....	137	105,475	32,998,516	4,472,283	37,470,799
British Columbia.....	102	19,305	12,960,387	3,342,272	16,302,659
Interprovincial.....	6	45,768	19,030,620	2,064,543	21,095,163
Total.....	1,722	561,314	214,762,980	42,327,447	257,090,427

¹ Does not include statistics for urban co-operative retail stores.

co-operatives handled approximately 26 per cent of the total fruit and potatoes sold in Canada and exported for sale overseas. Co-operatives handling live stock and live stock products accounted for approximately 25 per cent of the total marketings. All marketing co-operatives handled approximately 32 per cent of the main farm products entering commercial channels of trade.

Many associations formed primarily for marketing have found it possible to render an additional service to their members by utilizing the buying power

TABLE 5.—FINANCIAL STRUCTURE OF CO-OPERATIVE BUSINESS ORGANIZATIONS BY PROVINCES, CROP YEAR ENDED JULY 31, 1942

Province	Total assets	Value of plant	General liabilities	Paid-up share capital	Reserves and surplus
	\$	\$	\$	\$	\$
Prince Edward Island.....	253,718	44,883	221,505	38,310	-6,097
Nova Scotia.....	2,626,842	952,818	1,091,150	900,523	635,169
New Brunswick.....	496,691	174,173	329,645	118,031	49,015
Quebec ¹	10,578,471	4,423,209	5,591,431	1,690,552	3,296,488
Ontario.....	5,998,294	2,244,493	3,031,304	1,402,418	1,564,572
Manitoba.....	10,186,715	2,806,519	6,853,479	476,061	2,857,175
Saskatchewan.....	54,863,718	13,787,106	27,352,390	1,771,985	25,739,343
Alberta.....	17,993,123	5,325,484	10,073,307	458,685	7,461,131
British Columbia.....	6,523,341	2,002,421	3,084,806	2,033,623	1,404,912
Interprovincial.....	18,483,980	5,836,810	12,335,805	3,330,061	2,818,114
Total.....	128,004,893	37,597,916	69,964,822	12,220,249	45,819,822

¹ Does not include statistics for urban co-operative retail stores.

already mobilized for the purpose of purchasing supplies needed on the farm. For example, fruit marketing associations may buy fertilizer, spray material, barrels, boxes, flour and feed and general merchandise for their fruit growing members. Associations have been formed primarily for the purpose of buying supplies, usually bulk commodities, and some are operating stores carrying a full line of general merchandise.

Out of the 1,722 co-operative associations reporting in 1942, a total of 558 handled food products to the value of \$9 million and 180 associations handled nearly \$1.5 million of clothing and home furnishings for their members and patrons. These associations included the business of approximately 250 urban consumer societies. Petroleum products handled by 561 associations were valued at \$7 million. Farmers of 834 associations purchased \$16 million of feed, fertilizer and spray material on a co-operative basis.

The history of consumers' co-operation in Canada has not been encouraging although some of the earliest efforts at co-operation in Canada were in the field of consumers' co-operation. The one society which has a continued record of successful operation is the British-Canadian Co-operative Society Limited at Sydney Mines, Nova Scotia. This society began business in 1906 with a single small store at Sydney Mines and now operates branch stores at North Sydney, Glace Bay, Florence and Cranberry. The society handles groceries, dry goods, meats, men's wear and also operates a bakery, a dairy and a tailoring department. For the past thirty-five years this society has been one of the most successful examples of consumers' co-operation in Canada and on the continent.

TABLE 6.—STATISTICAL SUMMARY OF CREDIT UNIONS IN CANADA BY PROVINCES FOR 1942 FINANCIAL YEAR

Province	Credit unions	Members	Total assets	Shares	Deposits	Loans granted in last financial year	Loans granted since inception
	No.	No.	\$	\$	\$	\$	\$
P.E.I.....	45	5,580	126,665	100,732	13,194	95,067	518,067
N.S.....	202	28,553	1,225,098	1,096,417	33,005	892,174	5,654,099
N.B.....	140	20,648	709,783	640,371	22,322	697,695	2,322,000
Quebec:—							
Desjardins ¹	650	187,528	38,169,967	3,567,999	32,025,339	6,000,000	112,061,694
Other.....	9	1,690	123,299	43,842	28,398	81,243	258,399
Ont.....	129	23,699	2,645,461	987,344	1,315,515	1,869,603	14,093,430
Man.....	60	6,448	238,265	122,345	103,040	262,686	678,520
Sask.....	92	9,179	312,125	227,326	64,444	435,668	1,111,433
Alta.....	74	6,283	245,222	192,678	34,260	354,872	883,563
B.C. ²	85	6,376	176,040	162,702	5,265	287,077	362,247
Canada, 1942..	1,486	295,984	43,971,925	7,141,756	33,644,782	10,926,085	137,943,452
Canada, 1941..	1,314	238,463	31,230,813	5,764,514	22,703,312	9,652,534	127,017,367

¹ Six Caisses Régionales with assets of \$8,174,666 are not included here.

² Forty-one only of the 85 credit unions reporting.

Fishermen's Co-operatives.—Co-operation among fishermen on Canada's Atlantic and Pacific coasts is of recent origin. Information obtained from the Department of Fisheries records the establishment of a co-operative association among fishermen on the Atlantic coast in 1924. This association was organized at Tiginish in Prince Edward Island. No further organization is reported until 1930 when societies were formed in New Brunswick and Nova Scotia. From that year societies sprang up annually until in 1942 a total of 67 associations were reported as operating in that year. Total volume of business done by the 67 associations amounted to \$2,628,380. Estimated membership in all associations reporting is approximately 4,826.

Fishermen's co-operative associations in Canada are engaged in other activities than the marketing or processing of fish. On both coasts the fishermen pool their purchases of fishing gear and nets through their marketing associations. On the east coast particularly, many groups operate co-operative stores which supply the members with household necessities such as groceries, meats and dairy products.

Credit Unions.—The credit union development has become an important part of the co-operative movement in Canada. At the end of 1942, more than fourteen hundred credit unions were chartered and each of the nine provinces had provided legislation governing the establishment and operation of credit unions. The movement has not been confined by race or creed, for example, on May 16, 1940, the Skidegate Mission Credit Union was chartered among the Indians of the Skidegate Reserve in British Columbia. Canadian development has been general and credit unions have been organized at a fairly rapid rate since 1936.

Insurance.—Canadian farmers have used the group principle to insure their property against loss by fire for over seventy-five years. Some companies which began with a strictly rural clientele have now extended their coverage to include city property as well. The common feature of mutual fire insurance companies in Canada is the premium note which is given by the insured when his risk is underwritten. The insured may be required to pay a definite portion of this in cash in advance or he may be assessed from time to time to provide cash to pay off losses incurred and management expenses.

All companies may be incorporated under Dominion or Provincial legislation and they thus come under the supervision of the various superintendents of insurance.

These companies are purely mutual companies. They are controlled and directed by their farmer members for the benefit of the members. They constitute one of the oldest and probably the most successful co-operative undertakings established by Canadian farmers.

A recent tabulation showed that 365 farmers' mutual fire insurance companies carried at risk insurance amounting to well over a billion dollars.

Miscellaneous and Service Type Co-operatives.—Included under this heading come various services which are being provided in a co-operative manner such as housing, medical care, telephone systems and burial societies. Associations of this nature are more recent in development but are gaining in importance. Until a complete survey of the field of consumers' co-operation is made no accurate information is available. Co-operative principles have also been applied in isolated instances to many other forms of enterprise such as restaurants, laundries, printing and publishing and electrification.

Most widespread of all these various service type co-operative associations are those providing telephone service. Organized in rural areas for the most part, records for the year 1913 indicate the existence of 262 co-operative telephone systems. By 1940 the number had increased to 2,348 and the number of connected telephones amounted to 102,286. The total investment in these systems was approximately 20 million dollars.

In view of the increasing demand on the part of the public and the hospitals for some means of lessening the financial burden of sickness, several hospital plans have been developed in connection with public hospitals throughout Canada.

In 1941 Canada had some 38 plans of hospital group insurance and many others in the process of development. Most plans now in operation have the same basic idea. There is usually a monthly fee on a family or individual basis in return for which the subscriber is entitled to preferential rates on various hospital services and many routine services at no extra cost. The Institutional Statistics Branch of the Dominion Bureau of Statistics reports five such plans in Nova Scotia, two in New Brunswick, seven in Ontario, one in Manitoba, three in Saskatchewan, seven in Alberta and thirteen in British Columbia. In the Province of Quebec one plan is ready to operate.

The first province-wide plan developed in Canada was launched by the provincial government of Manitoba and is at present the largest in the Dominion although its operations are confined to the larger cities. Upon payment of certain monthly fees subscribers are entitled to 21 days of hospital care which includes food and special diets, general nursing care, dressings, drugs and medicines. Discounts are allowed on laboratory analyses, X-rays and other treatments.

A plan in Ontario sponsored by the Ontario Hospital Association in co-operation with the Ontario Medical Association is quite similar to the Manitoba plan.

The two public hospitals in Kingston, Ontario, have adopted a joint hospital plan which is a departure from the usual insurance-type plan. A pro-rata distribution of the full amount of the fund derived from the prescribed fees is made among subscribers who were hospitalized during the year on a basis of their receipted accounts.

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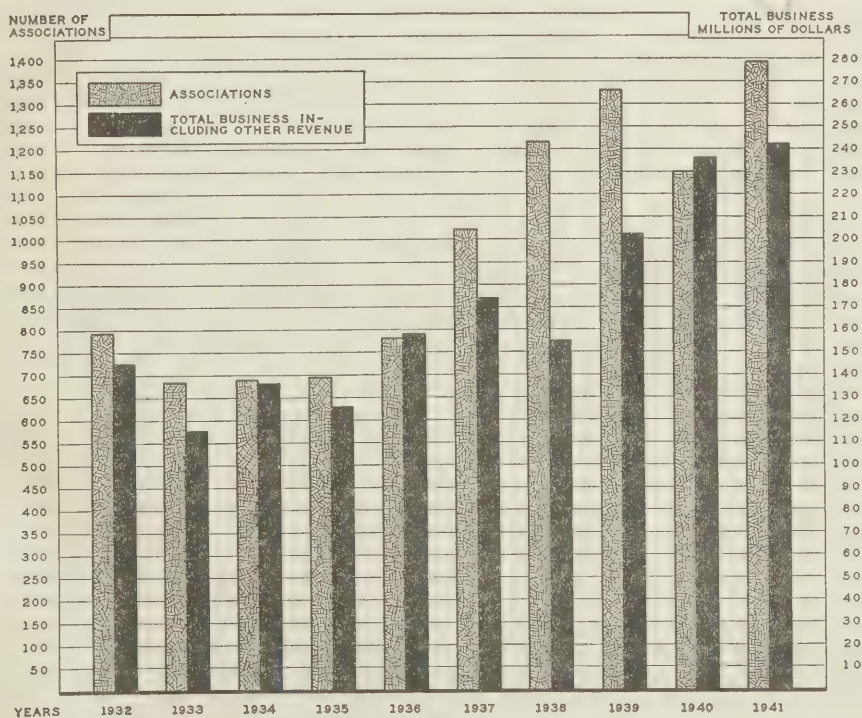
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and

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MARKETING SERVICE

ECONOMICS DIVISION



Farmers' Co-operative Associations in Canada, 1932-1941

Published by authority of the HON. JAMES G. GARDINER, Minister of Agriculture,
Ottawa Canada

CO-OPERATION IN CANADA

History and Legislation.—The story of co-operation in Canada goes back some eighty years. Actually, instances of co-operation can be cited earlier than this because of the community life of the early pioneers but there was no concerted effort towards an organized movement until about 1870. In a country where agriculture was and still is one of the most important occupations of the people it was to be expected that first organizations should be found among the farmers. Farmers came together to discuss mutual problems on crops, cultivation and stock-raising and thus naturally organized themselves into clubs or societies. Even before the 19th century there is evidence of the existence of such clubs in Maritime Canada. These associations were encouraged by the government and became quite numerous in the middle of the century but no attempt was ever made at federation or central organization.

Mention may be made here of the Dominion Grange which was organized under a Dominion charter in 1877. A Canadian farmers' organization, it established a number of co-operative enterprises in Ontario and Manitoba none of which was conspicuously successful. Some time later a new farmers' organization, the Patrons of Industry, was organized in Canada. This group made attempts at co-operative organization which also failed and by 1900 the Patrons had disappeared.

After Confederation in 1867, settlers went west and opened up the vast wheat-growing area in what is now the three Prairie Provinces. Several organizations of grain growers appeared and finally, in 1906, the Grain Growers Grain Company was organized to handle wheat and grain on a co-operative basis. This was followed by the organization of Saskatchewan Co-operative Elevator Company in 1910 and the Alberta Farmers Co-operative Elevator Company in 1913.

In other parts of Canada, organization along provincial lines was evident in The United Farmers Co-operative Company Limited in Ontario in 1914 and the Coopérative Fédérée de Québec in 1922. In the fruit-growing areas of the Dominion, The United Fruit Companies of Nova Scotia appeared in 1912 and the Okanagan United Growers of British Columbia in 1913.

The United Grain Growers Limited is an example of further expansion into the field of interprovincial organization. This company resulted from the amalgamation of the Grain Growers Grain Company and the Alberta Farmers Co-operative Elevator Company in 1917.

In 1918, The Canadian Co-operative Wool Growers Limited was formed with branches in all provinces and has proved successful as an organization on a national basis.

Authors' note.—This circular represents the first step in an effort to present a more complete picture of co-operative activity in Canada. Heretofore, the Economics Division has prepared and published an annual report on farmers' business organizations. Repeated requests for more complete information on other forms of co-operation led to the publication of this pamphlet. It is realized that the sections on consumers' co-operatives and service co-operatives are quite incomplete but until a more detailed survey of these associations is made we are able to furnish only this outline.

We wish to thank all the co-operative associations who completed and returned our schedules. We wish also to acknowledge the assistance and co-operation of the Dominion Bureau of Statistics and the Dominion Department of Fisheries.

Evidence of co-operation in industrial areas is to be found in Nova Scotia in 1861 where a co-operative store was opened at Stellarton by coal miners. Ten other stores were opened in that province prior to 1900 but only one survived beyond that date. The earliest consumers' co-operative store on record in Ontario appeared in Guelph in 1904 but ceased operations in 1927. Other provinces provide examples of the organization of urban consumers into buying groups and western farmers also used their marketing societies as a basis for group purchasing of farm supplies and general merchandise.

There is no Dominion Act providing for the incorporation of co-operative associations. In 1908, an Act respecting Industrial and Co-operative Societies passed the House of Commons but was defeated in the Senate.

However, associations can incorporate under The Companies Act. They are organized as joint stock companies and their co-operative nature is set out in the by-laws. Some co-operative companies in Canada are incorporated by special Acts of the Dominion Parliament.

In May 1939 the Dominion Parliament provided assistance and encouragement to the co-operative marketing of agricultural products in the Agricultural Products Co-operative Marketing Act, 1939. The main purpose of the Act is to make it possible for an organization of producers operating on a co-operative plan to finance its producers through the marketing period. This is accomplished through a Dominion guarantee against loss on an initial payment to producers, the amount of which is agreed to by the co-operative association and the Dominion Government. The Act applies to practically all farm production except wheat for which a special act was provided called the Wheat Co-operative Marketing Act, 1939.

First co-operative legislation in Canada was passed by the provincial legislature of Manitoba in June, 1887. Early efforts in most other provinces at incorporation of co-operative associations were made under the Companies Acts or by securing passage of a special act of the provincial government.

At present every province has in its statutes legislation governing the incorporation of agricultural co-operative associations and co-operative societies for the production and distribution of commodities.

Separate legislation for co-operatives is to be found in every province except Ontario and Manitoba. Co-operatives in Ontario incorporate under Part XII of The Companies Act which was added as an amendment in April, 1917. Similarly, Manitoba societies incorporate under Part VII of The Companies Act, Revised Statutes of Manitoba, 1940.

Saskatchewan and Alberta each have two acts concerning co-operatives—one for farmers' marketing associations and one for all other types. Quebec has somewhat similar facilities except that credit unions and co-operative stores incorporate under the same act whereas in other provinces credit unions are incorporated under a special credit union Act.

In every Act except those of Ontario and British Columbia, provision is made for the appointment of a supervisor of the associations which incorporate under the Act. The agricultural societies in Quebec report to the Department of Agriculture and this Department is quite active in directing and guiding the rural co-operatives in the province. Ontario has a Co-operation and Markets Branch in the Department of Agriculture which looks after the farmers' co-operatives. Official supervision and regulation in these three provinces is, however, vested in the Registrar of Companies or the Provincial Secretary.

Recent Trends.—During the past two decades, co-operative activity in Canada has passed through a period of rapid success and great ambition followed by reverses and declining interest. Some of the associations passed from the picture during the latter period, but the great majority, profiting from adversity

strengthened their foundations and provided for further expansion. There seems now to be evident new progress which derives its vigour in part from the experiences, power and vision of the great western farmers' organizations and partly from the drive obtained from the new movement of education which has sprung up in the east.

This latter movement began about 1930 among the farmers, fishermen and miners of eastern Nova Scotia under the auspices of the Extension Department of St. Francis Xavier University of Antigonish, N.S. First directed effort was towards the organization of small study groups wherein were proposed the pressing economic problems of the community. From these discussions came the establishment of credit unions, co-operative buying clubs, consumers' co-operative stores and wholesales, poultry pools, and renewed interest in egg circles and live stock shipping clubs everywhere in the Maritime Provinces.

The achievements of this movement in this section of Canada attracted world-wide attention and its leaders were invited to tell their story all over the North American continent. Other Canadian provinces, especially Manitoba, Quebec and British Columbia have drawn on the Nova Scotia experience and much of the recent development in co-operative endeavour in these provinces can be traced to the "Antigonish Movement".

The Co-operative Union of Canada.—On March 6, 1909, at a conference of representatives of Canadian co-operative societies held in Hamilton, Ontario, the Co-operative Union of Canada was formed. The Union was to be an educational body similar to the Co-operative Union of Great Britain. It is governed by a congress made up of delegates from affiliated organizations.

At the first meeting in 1909, six societies with a membership of 1,595 became affiliated. In 1940 there were 92 societies with a total membership of 184,992. This number is made up of 74 retail societies with a total membership of 20,098, two buying clubs, five wholesale societies with a membership of 488, two educational societies with 4,970 members, six societies marketing live stock, grain and dairy products for a membership totalling 163,505. There are included also one transportation society, one co-operative residence and one co-operative oil refinery. These last three serve a membership of 901.

Practically all of the above societies which are owned or controlled by farmers report to the Department of Agriculture and are included in the statistics on agricultural co-operation which follow.

The Union has acted in an advisory capacity in the framing of legislation for co-operatives and has many times used its influence effectively in safeguarding the basic principles of the co-operative movement.

Since October 1909 the Union has published a monthly, *The Canadian Co-operator*, from which the above figures have been taken. This journal enjoys a wide circulation among co-operators throughout the Dominion.

Producers' Co-operation

Farmers' Co-operative Business Organizations.—Co-operation among Canadian farmers in the marketing of farm products and in the purchasing of farm supplies has grown during the past ten years (Tables 1 and 2). Not only has expansion been noted in membership and volume of business but also in the number of products which are being marketed co-operatively. Elevators, stockyards, common and cold-storage warehouses and chick hatcheries are owned and operated by farmers co-operatively. Butter and cheese are manufactured, chicken and fruit products are canned in co-operative plants. Hogs are processed into bacon and other pork products by the First Co-operative Packers of Ontario Limited.

TABLE 1.—SUMMARY OF ANNUAL STATEMENTS OF NUMBERS, MEMBERSHIP AND BUSINESS OF FARMERS' CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, 1932 to 1941

Year ended July 31	Associations	Places of business	Share- holders or members	Patrons	Sales of farm products	Sales of supplies	Total business including other revenue
	No.	No.	No.	No.	\$	\$	\$
1932.....	795	3,501	379,687	417,000	134,611,154	10,665,563	145,303,954
1933.....	686	3,057	342,369	376,000	106,804,186	8,779,115	115,849,894
1934.....	690	3,223	345,024	379,740	128,909,035	7,389,034	136,411,483
1935.....	697	3,301	341,020	378,730	117,783,560	7,991,755	126,064,891
1936.....	781	3,186	366,885	406,321	144,962,609	12,788,192	158,165,565
1937.....	1,024	3,987	396,918	451,231	157,031,405	16,363,966	173,927,117
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1941.....	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305

In the field of farm supplies, commercial feeds and spray materials are prepared by co-operatives. At Regina, The Consumers' Refineries Co-operative Association Limited, which is owned by farmers, refines crude oil into gasoline, distillate and other petroleum products. These supplies are distributed to farmers by wholesale houses organized by farmers. A recent interesting development has been the organization of Canadian Co-operative Implements Limited in the three Prairie Provinces to sell and distribute farm machinery.

TABLE 2.—SUMMARY OF ANNUAL BALANCE SHEETS AND FINANCIAL CONDITION OF FARMERS' CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, 1932 to 1941

Year ended July 31	Total assets	Value of plant	General liabilities	Paid-up share capital	Reserves and surplus	Working ¹ capital	Net worth in per cent. of total assets
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1933.....	90,003,261	42,520,970	43,005,593	8,224,016	38,773,652	4,476,698	52.2
1934.....	104,350,702	40,432,859	56,046,004	8,722,451	39,590,050	7,871,839	46.3
1935.....	105,183,565	38,850,488	55,306,671	8,933,425	40,943,469	11,026,406	47.4
1936.....	85,751,901	35,289,468	34,665,210	8,954,135	42,132,556	15,797,223	59.6
1937.....	87,938,453	36,338,952	36,685,625	9,265,747	41,987,081	14,913,876	58.3
1938.....	83,140,607	36,569,984	33,423,607	9,265,391	40,451,699	13,147,106	59.8
1939.....	86,240,783	37,751,641	32,973,321	9,635,537	43,581,925	15,515,821	61.8
1940.....	102,685,101	38,265,035	48,424,694	10,155,221	44,105,194	15,995,360	52.8
1941.....	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7

¹ Working capital, as used in this table, is the excess of assets less value of plant over general liabilities.

For the crop year ended July 31, 1941, 1,395 associations owned and operated by farmers in a co-operative manner reported on their business. Of this number, 699 with 376,405 members were engaged in marketing farm products and 696 associations with 75,280 members were organized for the purchasing of farm supplies (Table 3).

TABLE 3.—FARM PRODUCTS MARKETED AND SUPPLIES PURCHASED BY CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, CROP YEAR ENDED JULY 31, 1941¹

Function and commodity	Asso- ciations	Places of business	Share- holders or members	Patrons	Sales of farm products	Sales of supplies	Total business including other revenue
	No.	No.	No.	No.	\$	\$	\$
Marketing—							
Dairy products.....	386	399	53,420	80,901	23,637,381	334,574	24,214,515
Fruits and vegetables.....	117	151	12,065	14,349	9,854,585	1,795,556	11,377,026
Grain and seed.....	47	2,197	202,234	204,488	137,115,846	2,097,607	139,270,511
Live stock.....	53	223	50,659	59,848	25,382,846	557,187	26,036,814
Poultry.....	79	236	34,304	30,992	4,492,690	61,756	4,581,768
Honey.....	4	4	1,639	914	710,237	39,359	755,624
Maple products.....	1	1	1,821	1,821	839,282	.....	839,282
Tobacco.....	6	6	3,699	3,639	11,121,902	.....	11,295,152
Wool.....	1	17	1,901	2,500	1,192,700	58,000	1,250,700
Fur.....	2	2	552	2,720	527,903	36	529,492
Miscellaneous ²	3	14	14,111	14,111	50,361	.....	50,661
Totals, Marketing.....	699	3,250	376,405	416,283	214,425,733	4,944,075	220,201,545
Purchasing.....	696	755	75,280	90,940	604,677	20,951,299	21,956,760
Grand Totals.....	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305

¹ Not including co-operative insurance companies, credit societies, telephone co-operatives, and farmers' institutes.

² Includes members and patrons of United Farmers of Ontario Limited and Coopérative Fédérée de Québec, but business has been distributed according to commodity grouping.

The marketing associations in 1940-41 did almost ten times as much business as that of the purchasing organizations. For the year under review the sales value of farm products marketed co-operatively amounted to \$214,425,733 which is a slight increase over the previous year. The increase is most marked in dairy, fruit, live stock and poultry co-operatives. Grain and tobacco co-operatives show a decrease in sales as a result of heavy carry-overs and disturbed marketing conditions. The ratio of net worth to total assets of the grain co-operatives in Canada has been adversely affected by the heavy borrowings made to finance the great increase in inventory stocks. Similar ratios for other commodity groups show an improvement but in total the important influence of the grain co-operatives has lowered the ratio to 35.1 per cent compared with 52.2 per cent for 1939-40 (Table 4).

TABLE 4.—FINANCIAL STRUCTURE AND CONDITION OF FARMERS' MARKETING AND PURCHASING CO-OPERATIVE BUSINESS ORGANIZATIONS IN CANADA, CROP YEAR ENDED JULY 31, 1941

Function and commodity	Total assets	Value of plant	General liabilities	Paid-up share capital	Reserves and surplus	Working ¹ capital	Net worth in per cent of total assets
	\$	\$	\$	\$	\$	\$	%
Marketing—							
Dairy products.....	7,061,736	3,601,371	2,526,852	2,419,611	2,115,273	933,513	64.2
Fruits and vegetables.....	6,239,369	2,471,736	3,639,210	1,085,047	1,515,112	128,423	41.7
Grain and seed.....	117,047,564	23,748,414	79,475,638	3,468,156	34,103,770	8,823,512	32.1
Live stock.....	1,281,081	370,338	522,614	442,607	315,860	388,129	59.2
Poultry.....	507,704	136,244	147,199	66,757	293,748	224,261	71.0
Honey.....	311,695	44,843	216,922	56,187	38,586	49,930	30.4
Maple products.....	447,342	256,595	123,366	56,883	267,093	67,381	72.4
Tobacco.....	925,426	390,307	368,140	77,032	480,254	166,979	60.2
Wool.....	407,314	73,325	47,073	118,130	242,111	286,916	88.4
Fur.....	29,659	3,575	4,752	2	24,907	21,332	83.9
Miscellaneous ²	3,814,324	826,079	2,520,836	587,520	705,968	467,409	33.9
Totals, Marketing.....	138,073,214	36,922,827	89,592,602	8,377,930	40,102,682	11,557,785	35.1
Purchasing.....	7,585,690	1,644,257	2,630,345	2,125,147	2,830,198	3,311,088	65.3
Grand Totals.....	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7

¹ Working capital, as used in this table, is the excess of assets less value of plant over general liabilities.

² Not organized on a share-capital basis.

³ Includes assets and liabilities of United Farmers of Ontario Limited and Coopérative Fédérée de Québec.

Total co-operative membership in Canada is given in table 3 as 451,685 but the possibility of duplication must be kept in mind. Thus, in many communities a farmer may be a member of more than one co-operative association. He may sell his cattle and hogs through a live stock shipping association, his grain to a co-operative elevator and his poultry and poultry products to an association formed to market such commodities. Another measure of co-operative activity in the marketing of Canadian farm products can be obtained by dividing the total amount of co-operative business by the number of occupied farms. In the crop year 1940-41 co-operative business per farm in Canada averaged \$295. On the same basis Saskatchewan was the leading province with \$515 worth of farm products marketed co-operatively. Over the past 10 years (1931 to 1941) the average value per farm of products marketed through co-operatives was \$211.

TABLE 5.—FARMERS' CO-OPERATIVE BUSINESS ORGANIZATIONS IN THE PROVINCES OF CANADA, CROP YEAR ENDED JULY 31, 1941¹

Province	Associations	Places of business	Share-holders or members	Patrons	Sales of farm products	Sales of supplies	Total business including other revenue
	No.	No.	No.	No.	\$	\$	\$
Prince Edward Island.....	18	18	7,369	8,433	652,072	105,825	759,165
Nova Scotia.....	95	140	12,812	16,494	2,024,763	1,760,503	3,846,917
New Brunswick.....	26	65	6,436	10,079	1,378,417	727,774	2,109,062
Quebec.....	361	392	26,841	26,841	18,529,218	3,119,142	21,942,662
Ontario.....	188	220	40,054	56,509	28,726,386	3,834,572	32,661,614
Manitoba.....	72	393	52,716	59,570	20,225,553	1,827,289	22,089,493
Saskatchewan.....	479	1,663	193,200	202,077	70,216,185	6,900,352	77,542,228
Alberta.....	72	562	69,044	80,328	37,513,894	3,408,716	40,983,195
British Columbia.....	78	82	14,386	15,381	8,123,381	2,438,401	10,787,051
Interprovincial.....	6	470	23,827	31,511	27,640,541	1,772,800	29,436,918
Totals.....	1,395	4,005	451,685	507,223	215,030,410	25,895,374	242,158,305

¹ Not including co-operative insurance companies, credit societies, telephone co-operatives, and farmers' institutes.

In 1940-41, farm co-operatives handled approximately 31 per cent of the total value of the commercial production of Canadian farms. The grain growers are the most highly organized of producers in the various commodity groups. Nearly 44 per cent of all grain delivered at country elevators was handled through co-operatives. Organizations of live stock producers handled 20 per cent of the total marketings of cattle, hogs and sheep and lambs. Co-operatives marketing honey accounted for 28 per cent of the commercial production. These co-operatives are of recent origin and have been singularly successful.

TABLE 6.—FINANCIAL STRUCTURE OF FARMERS' CO-OPERATIVE BUSINESS ORGANIZATIONS IN THE PROVINCES OF CANADA, CROP YEAR ENDED JULY 31, 1941

Province	Total assets	Value of plant	General liabilities	Paid-up share capital	Reserves and surplus
	\$	\$	\$	\$	\$
Prince Edward Island.....	91,946	41,975	33,702	29,743	28,501
Nova Scotia.....	1,904,322	669,751	959,169	453,421	491,732
New Brunswick.....	356,555	91,781	219,257	81,186	56,112
Quebec.....	8,292,250	3,789,576	4,267,970	1,244,260	2,780,020
Ontario.....	3,999,487	1,446,136	1,722,841	1,145,506	1,131,140
Manitoba.....	10,086,854	3,142,186	7,118,703	416,001	2,552,150
Saskatchewan.....	71,837,732	14,920,331	45,490,697	1,538,150	24,808,885
Alberta.....	22,679,761	5,940,909	15,078,551	407,756	7,193,454
British Columbia.....	6,191,246	1,836,433	2,977,189	1,875,943	1,338,114
Interprovincial.....	20,218,751	6,688,006	14,354,868	3,311,111	2,552,772
Totals.....	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880

Farmers have used their organization as producers to pool their buying power. Consequently many co-operatives, set up originally to market the produce of the farms, are now supplying members with supplies needed on the farm and in the household. Associations for that purpose only have also developed. In Saskatchewan there are about 400 such groups. Main commodities handled are binder twine, gasoline and oil, and coal and wood. Sales of supplies and general merchandise in 1940-41 amounted to \$25,922,374 which is an increase of almost 20 per cent over the previous season. It is estimated that co-operative purchasing groups account for about $3\frac{1}{2}$ per cent of the sales of farm merchandise and supplies made by retail stores in the rural areas and towns with a population of less than 10,000.

Fishermen's Co-operatives.—Co-operation among fishermen on Canada's Atlantic and Pacific coasts is of recent origin. Information obtained from the Department of Fisheries records the establishment of a co-operative association among fishermen on the Atlantic coast in 1924. This association was organized at Tignish in Prince Edward Island. No further organization is reported until 1930 when societies were formed in New Brunswick and Nova Scotia. From that year societies sprang up annually until in 1941 there were 63 operating in the three Maritime Provinces out of a total of 77 associations which were reported as operating in that year. These figures do not include any associations which operate from the mainland of the Province of Quebec but do include nine societies in the Magdalen Islands.

On the west coast there are five fishermen's co-operative associations. Two of these have been in operation for the past fifteen years while two are of quite recent origin. The other was organized in 1931.

Total capital invested in the 77 associations, which reported for the year 1941 amounted to \$281,752. Total volume of business done by these associations amounted to \$2,645,698. Estimated membership in all associations reporting is approximately 4,500.

Fishermen's co-operative associations in Canada are engaged in other activities than the marketing or processing of fish. On both coasts the fishermen pool their purchases of fishing gear and nets through their marketing associations. On the east coast particularly, many groups operate co-operative stores which supply the members with household necessities such as groceries, meats and dairy products.

Consumers' Co-operation

Most people think of consumers' co-operation as exemplified by co-operative retail distributive societies operating in the field of consumers' goods and services. To a great extent this is true in Canada for available information indicates that consumers' co-operation in this country has not been attempted in many fields other than retail distribution.

The history of consumers' co-operation in Canada has not been encouraging. As mentioned above some of the earliest efforts at co-operation in Canada were in the field of consumers' co-operation. The one society which has a continued record of successful operation is the British-Canadian Co-operative Society Limited at Sydney Mines, Nova Scotia. This society began business in 1906 with a single small store at Sydney Mines and now operates branch stores at North Sydney, Glace Bay, Florence and Cranberry. The society handles groceries, dry goods, meats, men's wear and also operates a bakery, a dairy and a tailoring department. For the past thirty-five years this society has been one of the most successful examples of consumers' co-operation in Canada and on the continent.

It has been difficult to obtain records of consumers' co-operative stores in Canada for many reasons. One was the lack of uniform legislation. Another was the absence of a single agency capable of covering the whole country. A third was the inability of the leaders of the movement to decide on an acceptable definition of a consumers' society. The first two of these have now been removed. Every province now has adequate legislation for co-operative societies and in most cases any new organization must incorporate under the present Act which in nearly every case has proved quite acceptable to most co-operators.

The 1941 Census enumerated all co-operative stores and merchandising concerns in the country and it is expected that a report dealing with this type of business will be made.

Statistics on the extent of consumers' co-operation in Canada are readily available for most provinces but unfortunately they have never been brought together to present a Dominion-wide picture except for the census years. The only figures for Canada are to be found in the annual report of the Co-operative Union but these include only the societies affiliated with the Union, which are but a small percentage of the estimated total.

A very rough estimate places the number of co-operative retail stores, both rural and urban, in Canada at about 365 which have a membership of 30,000 and do between four and five million dollars worth of business annually. This turnover is made mostly in consumer goods such as groceries, dry goods, boots and shoes, etc., although in the western provinces a greater proportion would be in binder twine, oil and gasoline and other items which might rather be termed farm supplies.

Concentration of consumers' stores appears in Eastern Canada. There are approximately 60 in the Maritime Provinces, about 100 in Quebec and 35 in Ontario. The remainder are in the Western Provinces. Co-operative purchasing of farm supplies in bulk or carload lots is, however, well advanced in the farming communities of the West. In Saskatchewan alone there are over 400 such associations which did a total business in 1940 of approximately 4½ million dollars. A large percentage of this figure is made up of purchases and sales of gasoline and oil.

Closely associated with the retail distributive societies in Canada are the wholesale societies which serve the retail outlets. Five such wholesales reported to the Co-operative Union of Canada in 1940 a total business of \$4,584,448.

Co-operative Credit Societies and Social Services

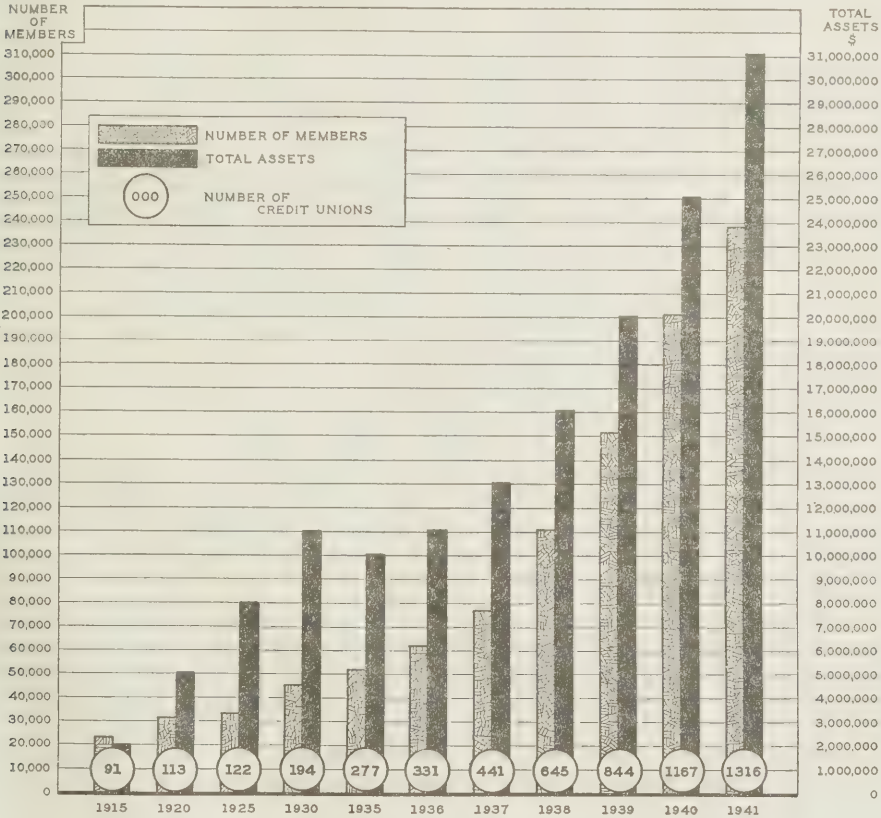
Credit Unions*.—A credit union is a co-operative credit society incorporated for the two-fold purpose of promoting thrift by systematic saving among its members and of creating a source of credit for its members, at reasonable rates of interest, exclusively for productive and provident purposes.

The societies were introduced to the North American continent in 1900 when Alphonse Desjardins organized one at Notre-Dame de Lévis near Quebec City. Since that time they have spread to every state in the United States and to every province in Canada. Each province now provides legislation governing the establishment and operation of credit unions. There is no Dominion law respecting these societies.

In 1941 there were 1,316 credit unions in Canada with a membership of 238,463 and total assets amounting to \$31,230,813 (Table 7). Although credit unions or "caisses populaires" have been in existence in Canada since 1900 the greatest development in numbers, membership and assets has taken place in

* See "Credit Unions in Canada" by A. H. Turner, *The Economic Annalist*, December, 1940, and February, 1941.

the last ten years. Until 1922 no province other than Quebec reported the existence of credit unions. In that year Ontario passed The Co-operative Credit Societies Act and by 1930, 15 organizations were chartered. In 1939 all provinces reported organizations under the various acts and in that year there were 844 credit unions in Canada (Table 8). Since 1932, coinciding with the development of the study club program of the Extension Department of St. Francis Xavier University, the expansion in the Maritimes has been rapid. The formation of La Fédération des Caisses Populaires Desjardins in Quebec marked a revival of organization in that province.



Progress of Credit Unions in Canada, 1915-1941

Credit unions lend money for a great variety of purposes. During the last financial year Canadian credit unions loaned \$9,652,534 for "provident and productive purposes" (Table 7). Some of the more important uses made by borrowers of the credit facilities of the credit union are as follows: the consolidation of debts, the financing of medical and dental care, home improvements, general household needs, harvest expenditures, educational programs, the purchase of automobiles, live stock, general farm supplies. Small loans are encouraged and the majority are not over one hundred dollars. The usual practice is to repay the loan within a year but this may vary with the nature of the loan. Systematic repayment is the important feature and it is usually considered that the repayment of the loan should not interfere with the program of thrift encouraged by instalment payments on shares or to deposit accounts. The report of the Inspector of Credit Unions in Ontario points out that for the year ended March 31, 1942, less than 5/100ths of one per cent of the total

amount loaned by all the unions in the province was charged off to bad debts. This is a remarkable statement when it is known that Ontario credit unions loaned almost $1\frac{3}{4}$ million dollars during the last financial year. Reports for the other provinces indicate a similar situation in regard to losses from bad loans.

TABLE 7.—SUMMARY OF CREDIT UNIONS BY PROVINCES¹

Province	Credit unions	Members	Shares	Deposits	Total Assets	Loans granted in last financial year	Loans granted since inception
	No.	No.	\$	\$	\$	\$	\$
Prince Edward Island (Sept. 30, 1941).....	45	5,539	82,171	6,241	99,647	99,742	369,087
Nova Scotia (Sept. 30, 1941).....	201	28,144	943,606	19,294	1,055,731	938,690	4,761,925
New Brunswick (Sept. 30, 1941) ² ...	138	18,765	445,019	11,778	487,533	472,232	1,629,856
Quebec:							
Desjardins.....	601	146,275	3,047,822	21,421,718	26,796,617	5,700,000 ³	106,061,694 ⁴
Others ⁴	8	1,209	29,281	3,538	34,822	44,097	118,185
Ontario (March 31, 1942).....	93	18,670	801,944	1,130,373	2,193,355	1,710,697	12,196,827
Manitoba.....	44	5,112	83,638	51,388	142,882	186,305	424,181
Saskatchewan.....	72	6,273	140,183	34,426	189,305	295,105	675,765
Alberta.....	43	4,564	127,693	21,904	161,494	121,724	528,691
British Columbia (Sept. 30, 1941) ⁵ ...	71	3,912	63,157	2,652	69,426	83,942	132,467
Totals.....	1,316	238,463	5,764,514	22,703,312	31,230,813	9,652,534	126,898,678

¹ December 31, 1941, except where otherwise stated.

² Statistics except for number of unions are for 129 credit unions only.

³ Estimated by La Fédération des Caisses Populaires Desjardins.

⁴ These unions are members of Montreal Credit Union Federation Limited and statistics, except for number of unions, are for 6 credit unions only.

⁵ Statistics, except for number of unions, are for 59 credit unions only.

Credit Union Leagues.—There are, in every province except Manitoba, what are known as credit union leagues. These leagues are usually federations of smaller groups or chapters which are organized in cities or areas where a number of credit unions are concentrated. It is expected that a league will be organized in Manitoba shortly.

Credit union leagues in Canada are performing valuable services on behalf of their member societies. Primarily, the leagues are educational bodies which publish and distribute pamphlets and information on correct credit union practices. They also pool orders for supplies of bookkeeping materials and arrange for the bonding of credit union treasurers. Most leagues make legal advice available to member societies and maintain records and statistics on the progress of their own members and on the status of credit unions in other provinces and countries.

Amendments to legislation affecting credit unions are usually prepared and submitted by the league to the government concerned.

Inspection and Audit.—In each provincial Act provision is made for the appointment of an inspector or supervisor. This officer passes on all applications for incorporation and annually requires a detailed operating report or statement from each society. The reports are usually consolidated and published as a separate report by the provincial government.

In Québec, these tasks are performed by La Fédération des Caisses Populaires Desjardins.

Insurance.—Canadian farmers have used the group principle to insure their property against loss by fire for over seventy-five years. Some companies which began with a strictly rural clientele have now extended their coverage to include city property as well. The common feature of mutual fire insurance companies in Canada is the premium note which is given by the insured when

TABLE 8.—NUMBER, MEMBERS AND TOTAL ASSETS OF CREDIT UNIONS IN CANADA FROM 1915 to 1941

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
1915—										
Number.....				91						91
Members.....				23,614						23,614
Total assets \$.....				2,027,728						2,027,728
1920—										
Number.....				113						113
Members.....				31,752						31,752
Total assets \$.....				6,306,965						6,306,965
1925—										
Number.....				122						122
Members.....				33,279						33,279
Total assets \$.....				8,261,515						8,261,515
1930—										
Number.....				179	15					194
Members.....				45,767	*					45,767
Total assets \$.....				11,178,810	*					11,178,810
1935—										
Number.....		50		202	25					277
Members.....		9,000		43,045	*					52,045
Total assets \$.....		130,243		10,043,754	*					10,173,997
1936—										
Number.....		71		234	26					331
Members.....		12,178		49,890	*					62,068
Total assets \$.....		269,045		10,846,755	*					11,115,800
1937—										
Number.....	25	105	24	256	25	1	5			441
Members.....	240	17,173	1,800	57,216	*	480	268			77,177
Total assets \$.....	15,341	446,403	20,000	13,275,488	*	*	2,236			13,759,468

TABLE 8.—NUMBER, MEMBERS AND TOTAL ASSETS OF CREDIT UNIONS IN CANADA FROM 1915 TO 1941—*Con.*

Year	Prince Edward Island	Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskat- chewan	Alberta	British Columbia	Total
1938—										
Number.....	38	148	67	338	25	10	19	.....	.....	645
Members.....	3,577	22,869	6,203	75,419	*	1,300	1,644	.....	.....	111,012
Total assets \$.....	37,392	605,459	91,060	10,057,994	*	22,885	20,882	.....	.....	16,835,672
1939—										
Number.....	44	182	116	406	16	19	32	23	6	844
Members.....	4,731	27,113	11,533	91,374	8,809	2,406	2,862	2,226	500	151,554
Total assets \$.....	66,177	748,269	195,132	17,847,606	1,657,909	49,990	67,705	47,806	*	20,680,594
1940—										
Number.....	46	199	132	562	67	31	52	35	43	1,167
Members.....	5,313	27,941	16,509	124,111	14,461	3,630	4,481	3,371	1,320	201,137
Total assets \$.....	87,497	924,751	377,380	21,400,001	1,936,932	90,535	130,316	103,483	18,790	25,069,685
1941—										
Number.....	45	201	138	609	93	44	72	43	71	1,316
Members.....	5,539	28,144	18,765	147,484	18,670	5,112	6,273	4,564	3,912	238,463
Total assets \$.....	99,647	1,055,731	487,553	26,831,439	2,193,355	142,882	189,306	161,494	69,426	31,230,813

* Information not available.

his risk is underwritten. The insured may be required to pay a definite portion of this in cash in advance or he may be assessed from time to time to provide cash to pay off losses incurred and management expenses.

All companies may be incorporated under Dominion or Provincial legislation and they thus come under the supervision of the various superintendents of insurance. The statistics in the accompanying table are taken from the reports of the various superintendents.

These companies are purely mutual companies. They are controlled and directed by their farmer members for the benefit of the members. They constitute one of the oldest and probably the most successful co-operative undertaking established by Canadian farmers.

In 1939, 365 farmers' mutual fire insurance companies carried at risk insurance amounting to well over a billion dollars. A tabulation made in a similar manner for 1933 showed 325 companies with approximately a billion dollars insurance at risk.

TABLE 9.—FARMERS' MUTUAL FIRE INSURANCE COMPANIES IN CANADA, 1939

Province	Number of companies	Unassessed premium note residue	Net admitted assets	Total liabilities	Net amount insurance at risk	Net losses paid 1939
		\$	\$	\$	\$	\$
Prince Edward Island.....	1	.....	92,165 ¹	5,602	10,308,858	22,506
Nova Scotia.....	5	65,295	327,369	81,376	17,183,928	42,058
Quebec—						
County.....	8	1,131,244	33,634	28,329	15,981,665	36,816
Municipality.....	67	143,827	67,895	11,048	20,900,786	25,535
Parish.....	208	4,862,330	215,810	72,350	109,944,787	188,198
Ontario.....	67	13,704,075	4,450,948	1,090,900	560,809,649	929,615
Manitoba.....	1	4,215	449	15	102,800	.....
Saskatchewan.....	5 ²	191,949	520,169	251,101	27,425,662	38,514
British Columbia.....	1	112,320	192,609	172,407	.....	8,516
Dominion.....	2	1,856,713	3,372,303	1,711,648	356,954,222	600,013
Total.....	365	22,071,968	9,273,351	3,424,776	1,119,612,357	1,891,771

¹ Includes unassessed premium note residue.

² Includes one company which does business in the four western provinces.

Miscellaneous and Service Type Co-operatives.—Included under this heading come various services which are being provided in a co-operative manner such as housing, medical care, telephone systems and burial societies. Associations of this nature are more recent in development but are gaining in importance. Until a complete survey of the field of consumers' co-operation is made no accurate information is available. Co-operative principles have also been applied in isolated instances to many other forms of enterprise such as restaurants, laundries, printing and publishing and electrification.

Most widespread of all of these various service type co-operative associations are those providing telephone service. Organized in rural areas for the most part, records for the year 1913 indicate the existence of 262 co-operative telephone systems. By 1940 the number had increased to 2,348 and the number of connected telephones amounted to 102,286. The total investment in these systems was approximately 20 million dollars.

The majority of these telephones were in Saskatchewan, Ontario, Alberta and Nova Scotia with smaller numbers in the other provinces. The three Prairie Provinces also operate provincial systems. Besides these there are systems

owned and operated by municipalities in Alberta, Ontario, Manitoba, British Columbia, Quebec and Saskatchewan with a total of 37,680 telephones connected.

In the majority of cases the service is supplied only to members of the association but some systems supply service to outsiders in the same manner as commercial telephone systems.

Many of these associations were aided in organization by the provincial and municipal governments. In some cases the province lent the necessary funds for construction and installation and was reimbursed through annual levies. In one province the municipalities financed the associations in a similar manner. In Alberta beginning in 1935 the provincial system sold sections of its rural lines to companies composed of subscribers who operate the service on a co-operative basis.

In view of the increasing demand on the part of the public and the hospitals for some means of lessening the financial burden of sickness, several hospital plans have been developed in connection with public hospitals throughout Canada.

In 1941 Canada had some 38 plans of hospital group insurance and many others in the process of development. Most plans now in operation have the same basic idea. There is usually a monthly fee on a family or individual basis in return for which the subscriber is entitled to preferential rates on various hospital services and many routine services at no extra cost. The Institutional Statistics Branch of the Dominion Bureau of Statistics reports five such plans in Nova Scotia, two in New Brunswick, seven in Ontario, one in Manitoba, three in Saskatchewan, seven in Alberta and thirteen in British Columbia. In the province of Quebec one plan is ready to operate.

The first province-wide plan developed in Canada was launched by the provincial government of Manitoba and is at present the largest in the Dominion although its operations are confined to the larger cities. Upon payment of certain monthly fees subscribers are entitled to 21 days of hospital care which includes food and special diets, general nursing care, dressings, drugs and medicines. Discounts are allowed on laboratory analyses, X-rays and other treatments.

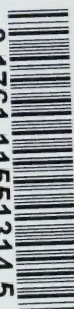
A plan in Ontario sponsored by the Ontario Hospital Association in co-operation with the Ontario Medical Association is quite similar to the Manitoba plan.

The two public hospitals in Kingston, Ontario, have adopted a joint hospital plan which is a departure from the usual insurance-type plan. A pro-rata distribution of the full amount of the fund derived from the prescribed fees is made among subscribers who were hospitalized during the year on a basis of their receipted accounts.

Perhaps the best known co-operative housing project in Canada is in Nova Scotia. With the assistance of the Provincial Housing Commission miners in the vicinity of Glace Bay and Reserve Mines undertook the building of better homes for themselves and there are now three groups living in new houses in that area. They are organized on a community basis with funds lent by the Housing Commission and labour supplied by the members of the co-operative housing association.

There are one or two bus and transportation companies operated co-operatively in Canada. The students at the University of Toronto own and operate a co-operative residence and students at other universities are forming similar societies. One co-operative burial society is known to be in the process of organization in Saskatchewan.

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